

Business rents freeze to end early next year

Property shares rose on the stock market yesterday after Mr Crosland, Secretary of State for the Environment, announced an early end to the commercial rent freeze. In a written Commons reply, Mr Crosland said the freeze on business rents had

affected the economy in ways the previous Government could hardly have envisaged when they imposed it. The decision could be interpreted by militant trade unionists as a breach of social contract, our Financial Correspondent writes.

Property shares go up

By John Plender
Financial Correspondent
The Government yesterday took decisive action to prop up the banking system by announcing an early end to the commercial rent freeze. In a written Commons reply, Mr Crosland, Secretary of State for the Environment, said that commercial rents throughout the United Kingdom would be allowed to rise to contractual levels from March 19, 1975.

The move, which could be interpreted by militant trade unionists as a breach of the social contract, sparked off a rapid rise in property share prices in late dealings on the stock market. It was also welcomed by leaders of the property industry. In his statement, Mr Crosland said that the freeze on business rents "is now widely regarded as affecting parts of the economy in ways that even the previous Government can hardly have envisaged when they imposed it. Much savings and essential money, for example, depends on the income from commercial property, which also

constitutes an important credit base for industry. "The Government, through their land legislation, are acting to secure to the community the values in development which hitherto have gone to the speculator. A healthy market in commercial property is necessary for the achievement of the Government's social and economic objectives."

In the past few weeks the Government is understood to have become increasingly concerned about the effect of a demoralized property market on the banking system. Total bank advances to the property and construction sectors stand at an abnormally high level of about £5,000m, reflecting the rush of money into property during the huge expansion of the money supply during 1971-73.

The subsequent contraction in the rate of growth in the money supply, combined with the rent freeze and new fiscal penalties on property, has brought the property market close to standstill. Much of the cash in the banking system has

therefore been frozen and the security for loans eroded. The Government's decision is clearly intended to reduce the losses that the banks will incur because of the fall in property values. It will also increase the banks' ability to satisfy industry's need for finance, which is expected to grow rapidly in 1975.

Over the last nine months insurance companies and pension funds have been reluctant to buy property, in spite of repeated assurances from the Government that the rent standstill would be lifted in 1975. Mr Crosland said that an order will be laid under the Counter-Inflation Act, 1973, to provide for the end of the rent freeze on February 1. It will ensure that no business tenant paying a rent frozen below the contractual level on that date can have his rent increased until the landlord has given notice as the order will provide. The present period of notice will allow those rents to be increased to the contractual levels on March 19.

Financial Editor, page 17

Whips see new danger to Labour discipline

By David Wood
Political Editor

In spite of taunts from Mr Heath in the Commons yesterday that he was not prepared to support his own Chief Whip, Mr Wilson gave no hint yesterday that he means to deliver any warning to the 54 Labour backbenchers who rebelled against a three-line whip in last Monday's defence debate, or call for the removal of the eight dissidents who are serving as PPSs to ministers.

All Mr Wilson has so far undertaken to do is to discuss party loyalty and discipline in a general way at a meeting of the Parliamentary Labour Party at the Commons after the Christmas recess. There seems little doubt that Mr Mellish's position has been weakened by first resigning and then being persuaded to continue to serve. Some of his colleagues in the whips' office hint that his authority must be less now than Mr Wilson has given no public sign of support for his view that a three-line whip must be obeyed.

As Mr Mellish and his staff in the whips' office see it, there are new dangers for Labour Party discipline. It is suspected, though not easily provable, that the Tribune group of left-wingers is effectually operating a whip within the PLP whip. The formation this week of the Manifesto group by moderate Labour MPs, as a countervailing force to the Tribune group, creates the danger of even more factional whipping. Some whips do not think it fanciful to foresee a time when, if present tendencies persist, the government Chief Whip will have to bring the leaders of the party factions into managerial discipline to be sure that he can carry a division.



Mrs Mary Wilson with two of the "children of courage" to whom she presented awards at Westminster Abbey yesterday. Kathy Hoggins, aged 12, of Belfast, is nursing her mother, who has cancer. Joyan Patel, aged 10, of Brockley, London, defied a gunman.

Abortion on demand allegation after survey

By Peter Scott

Grave allegations that abortions are available on demand to those who can afford to pay, that abortions are carried out after the legal limit of 28 weeks of pregnancy, and even that foetuses are being sold to soap factories, are made in a new book on the Abortion Act published today.

The book, with the emotive title *Babies for Burning: The Abortion Business in Britain*, is the work of two London journalists, Mr Michael Litchfield and Miss Susan Kentish, who visited abortion clinics and Harley Street doctors anonymously and with a hidden tape recorder.

Its publication has been delayed for several weeks by three injunctions taken out by organizations and individuals named in the book. The last of the injunctions was lifted yesterday.

Last April a committee of inquiry set up in 1971 under Mrs Justice Lane generally approved of the way the 1967 Abortion Act was operated, but recommended that the legal time limit for abortions should be reduced from 28 to 24 weeks of pregnancy. Its terms of reference did not provide for any examination of the ethics of abortion.

Mr Litchfield and Miss Kentish comment: "There should still be abortion available for genuine life or death medical reasons. But the iniquitous social clause must go." That clause allows a doctor to carry out an abortion if he is satisfied that the continuance of the pregnancy would involve risk to the physical or mental health of the pregnant woman greater than if the pregnancy was terminated.

The two reporters carried out their inquiry by visiting clinics and doctors posing as a married couple in search of an abortion. Their conversations were recorded on tape.

They made no attempt to invent a convincing reason for desiring an abortion and normally confined themselves to the simple statement that they did not want the baby. On occasions they attempted to incite the doctor or clinic counsellor to refuse them an abortion by giving extremely frivolous and selfish reasons, such as that having a baby would interfere with their social life.

At other times Miss Kentish pretended to have some doubts about whether she really wanted an abortion, but again no one tried to persuade her to have the baby, they say. In most cases the two doctors who must sign the form authorizing abortion under the 1967 Act were prepared to accept her word that she did not want to continue with the pregnancy.

Although the possibility of obtaining an abortion on the National Health Service was sometimes raised, they were usually told that doctors working in private clinics were more "liberal minded" as to the grounds on which they could authorize an abortion.

Other doctors interviewed by the two reporters took a less straightforward view. One with a surgery in Wimpole Street was not completely convinced.

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Rockefeller nomination nears end of final lap

By Patrick Brogan
Washington, Dec 19

The United States will have a Vice-President again today. House of Representatives in a cursory debate, will vote to confirm Mr Nelson Rockefeller's nomination and he will be sworn in in the Senate. The scene will be televised. This will be the first time television has been used in the chamber. Mr Ford was sworn in as Vice-President on December 6 last in the House of Representatives. President Ford will drive Mr Rockefeller up Pennsylvania Avenue to the Capitol, as outgoing Presidents are wont to do on inauguration day. The occasion will be rather more jolly than the last vice-presidential taking. Everyone was then glad that Mr Ford had succeeded Mr Agnew, but President Nixon's presence in the White House has cast a shadow over proceedings. Mr Rockefeller, former Governor of New York, whose record in government goes back to early days of the Second World War, will be the country's forty-first Vice-President. As a congressman he was asked when his name was announced, "He has just got richer than all other Presidents and Vice-Presidents put together."

Mr Rockefeller's nomination was approved by Congress two months ago. Mr Ford's nomination as Vice-President Agnew resigned in disgrace. He was tried even then to be most likely that he would succeed as President before Mr Nixon's term expired.

Mr Rockefeller's nomination was confirmed by Congress four months ago. Mr Rockefeller, though his chances of reaching the White House are no greater than were those of his predecessors. Mr Rockefeller's predecessors were George Dallas, Hannibal Hamlin, Schuyler Colfax and John Sherman. Mr Rockefeller's list of Vice-Presidents, in order of seniority, reads: Mr Rockefeller's 40 predecessors are: John Adams, Thomas Jefferson, James Madison, James Monroe, John Quincy Adams, Andrew Jackson, Martin Van Buren, William Henry Harrison, John Tyler, James K. Polk, Zachary Taylor, Millard Fillmore, Fremont, P. G. B. Pinchney, James Buchanan, Abraham Lincoln, Andrew Johnson, Ulysses S. Grant, Rutherford B. Hayes, James A. Garfield, Chester A. Arthur, Grover Cleveland, Benjamin Harrison, William McKinley, Theodore Roosevelt, Woodrow Wilson, Warren G. Harding, Calvin Coolidge, Franklin D. Roosevelt, Dwight D. Eisenhower, John F. Kennedy, Lyndon B. Johnson, Richard M. Nixon, Hubert H. Humphrey, Spiro T. Agnew, and Gerald R. Ford.

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MPs hope for a pay rise after issue goes to Boyle committee

By Our Political Staff

The pay and allowances of MPs are to be referred to Lord Boyle's top salaries review body. In announcing that to the House of Commons yesterday Mr Short, Lord President of the Council, gave no assurance that any recommendations made will automatically be implemented. But the general expectation of the House was that they could look forward to their first salary increase since January, 1972, when it rose from £3,250 to £4,500.

Details of the scheme for providing financial assistance to the opposition parties were also given by Mr Short, who in addition announced two further inquiries, one to consider improvements in the facilities available to backbenchers, the other to examine whether public money should be given to political parties for their work outside Parliament.

A statement is to be made by the Prime Minister today on the review body's report recommending increases for the heads of the nationalized industries, senior civil servants, judges and others. The report has clearly caused the Government some embarrassment and the timing of the statement as the House breaks up for the recess is significant.

The statement on MPs' pay

met with a mixed reception. Many members accepted the force of Mr Short's assertion that a number of MPs were labouring under financial strain. Mr Christopher Tugendhat, Conservative MP for the City of London and Westminster, South, emphasized the necessity of paying MPs and ministers the rate for the job when compared with the earnings of senior civil servants and those in positions of responsibility in the private sector. But the point was made that with the country facing such economic problems it was not the time for members to be providing for pay increases for themselves.

A number of MPs were sensitive to the delicacy of their position in this respect. There were suggestions that any extra money should be concentrated on payments for research and administrative assistance rather than raising salaries, that future reviews should be annual to avoid the danger of occasional reviews which were consequently larger when they came and attracted unfairly hostile publicity, and that the pay of MPs should be taken out of politics by tying it to the income of some grade in the Civil Service.

Those matters will come within the scope of the review body. It has been asked to cover all aspects of parliamentary remuneration, allowances and pensions. In particular it is to consider a mechanism for regular reviews so that MPs do not suffer greater hardship from inflation than the rest of the community and its attention has been drawn specifically to the possibility of linking salaries to Civil Service grades.

The formula for determining financial assistance to opposition parties in the House, £500 a seat and £1 for every 200 votes with an upper limit for the total of £100,000, provoked some criticism from Mr Dafydd Wigley, MP for Carmarvon, on behalf of Plaid Cymru. But the innovation seems, in general, to have satisfied the parties concerned.

A select committee of 11 members was set up yesterday to examine the support facilities available to backbenchers, and an independent committee is to be appointed shortly after Christmas to consider whether the present arrangements could be made available to political parties for their work outside Parliament.

Parliamentary report, page 10

IRA may end its silence today on Ulster truce

From Stewart Tendler
Belfast

Republican sources in Belfast expect the Provisional IRA to issue a statement today to cease speculation about a ceasefire. Yesterday Protestant churchmen got in touch with the Provisionals to tell them of the result of talks in London on Wednesday with Mr Rees, Secretary of State for Northern Ireland.

Another controversial topic in Ulster, the offer by the Ministry of Defence of £42,000 compensation for relatives of the 13 men killed in the "bloody Sunday" riots in Londonderry, was being widely discussed in Belfast yesterday. It was learnt that the 20 relatives, after a meeting at the Creggan, in Londonderry, had agreed to accept the compensation.

Wednesday's meeting between churchmen, Mr Rees and five civil servants was at the Commons in the evening and lasted an hour. Mr Rees was told of proposals from the Provisionals that the churchmen refused afterwards to say what they were.

Last night one of the churchmen, the Rev William Arlow, secretary of the Irish Council of Churches landed at Dublin airport and was reported to be on his way to meet Provisional contacts. Later he left for Belfast.

The churchmen issued a statement after the Commons meeting in which they said they told Mr Rees of their meeting at Feakle, Co. Clare, with the Provisionals and the response to suggestions for creating a ceasefire. The statement said Mr Rees made it clear that a ceasefire would produce a British response.

That was as far as any of the churchmen would go in saying what news was or reply was brought back across the Irish Sea but one source close to the meeting said that the churchmen issued a statement after the Commons meeting in which they said they told Mr Rees of their meeting at Feakle, Co. Clare, with the Provisionals and the response to suggestions for creating a ceasefire. The statement said Mr Rees made it clear that a ceasefire would produce a British response.

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Design work to begin on British Library

By Michael Baily
Transport Correspondent

Design work for the building of a new British Library on former railway land in Euston Road, London, is to go ahead in the face of continued opposition by the library board, who remain committed to the Bloomsbury site. Mr Hugh Jenkins, minister responsible for the arts, said yesterday that plans would be drawn up so that construction could begin in 1979-80. He added that use of land adjoining the British Museum would involve the kind of large-scale development and disturbance towards which public attitudes had much changed. The Euston Road site was less than a mile away.

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British Rail asks the Treasury for £341m

By Michael Baily
Transport Correspondent

British Rail has asked for a grant of £341m to keep its passenger services going in 1975. Mr Mulley, the Minister for Transport, disclosed in a written parliamentary reply yesterday. A spokesman for the Department of the Environment said later that British Rail would not necessarily get the money.

This is British Rail's first call on the £900m (extendable to £1,500m by Parliament) provided, it was hoped for five years, to support the entire passenger system under the Railways Act, 1974.

The figure can be compared with the £81m budgeted last January for loss-making passenger services this year, or with the £330m British Rail is thought to need from the Treasury to meet its 1974 deficit.

To comply with EEC regulations, the £341m takes the form of compensation to British Rail for unremunerative activities that the Government has directed it to carry on. Mr Mulley said yesterday that while he had directed the British Railways Board to provide a service roughly comparable with the present one, changes in the size and quality of the service, including further possible closures, were not excluded.

Mr Callaghan sets out powerful case for staying in Europe

By Michael Baily
Parliamentary Correspondent

Mr Callaghan, the Foreign Secretary, revealed himself in the Commons last night to have become about as confirmed a Europeanist as divisions within the Labour Party allow. Our Parliamentary Correspondent writes. He presented possibly the most powerful case for Britain remaining inside Europe that has been made from the Government benches since Labour returned to power.

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Export prices rising fast

British export prices are now rising quickly, but the actual volume of goods sold overseas is falling sharply. Official figures published yesterday by the Department of Trade showed that export prices were increasing twice as fast as import costs during November. This threatens to make British goods increasingly uncompetitive in foreign markets.

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Gold warning by the Shah

The Shah of Iran warned Western powers yesterday that by revaluing gold holdings upwards they could bring about the collapse of the whole monetary system. He said that any such move would force considerable increases in oil prices.

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Closed shop talks end in deadlock

By Michael Baily
Parliamentary Correspondent

Mr Foot, Secretary of State for Employment, discussed with editors yesterday the closed-shop principle of the Trade Union Bill, but the meeting ended in deadlock. Some editors, however, believe the Bill may be delayed by concern over its implications for freedom of speech by some Labour ministers and MPs.

Page 2

Nelson touch

Turning a blind eye to Moscow's denial of any deal linking trade concessions with emigration policies, the United States Congress hurried to give the Trade Reform Bill its final blessing. Kremlin-watchers saw the deal as face-saving vis-à-vis the Arabs.

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Tree hurt as car bomb explosion shatters fire windows in Oxford Street

By Neville Hodgkinson

A car bomb exploded in Oxford Street, shattering hundreds of windows and shaking buildings over a wide area. People were injured. A warning, the police closed much of the street minutes before the bomb exploded. People in public places were ordered to take cover. There was a scramble for lavatories and basements.

walls and lights and shattering window models. Directors of the firm were at a meeting upstairs and a staff party was going on downstairs. A salesman who was at the party said, "Everything shuddered inside, and smoke belched into the building from the street. There was a small fire in one of the shops opposite. Some of the women at the party went into hysterics. The security men tried to clear people out and most of us went out quickly."

Mr Geoffrey McCallum, aged 30, was in the Henry Holland public house in Duke Street. He said: "At about eight or nine minutes past nine we heard this massive blast. They cleared

the pub and kept us there for about half an hour after the explosion. There was a sort of pressure wave. You could feel something hitting you like a giant firework. When I looked out of the window there was a policeman walking along in the middle of the road with a shower of glass around him, rubbing his head as if he were dazed."

"Warning calls were received by two newspapers. A spokesman for the Sun said: 'We had a call at 8.40 pm. The caller had an Irish accent and he said: 'There is a car bomb in Oxford Street. It is a Corvair car and it is due to go off at 9 pm.' The Daily Mirror also received

Fire victims

Seventeen of the victims of the fire at Fairfield Old People's home near Nottingham People's home near Nottingham died on Sunday. A man of 85, died of asphyxiation and one of heart failure. The inquest was told yesterday before being adjourned for a month.

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On other pages

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Letters: On public lending right from the Secretary of the Library Association; Israel and Unesco from Dr Elmer Yagur; the bloodstock industry from the Chairman of the British Bloodstock Agency. Leading articles: The Shrewsbury pickets; Inna and Shuman; German prison hunger strike. Features, pages 6 and 12
John Young describes how a Welsh valley became a Utopia for radical intellectuals.
Christopher Bertman on military detente in Europe; Victoria Brittain on peace on the cheap; the left South Vietnam on the brink of defeat.
Diary
The cost of giving all the gifts in the survey today; the cost of Christmas is 70 per cent higher this year than last.
Arts, page 7
David Robinson on new films in London; Irving Wardle on Rembrandt; the Truth Dentist; Sheridan Morley on Cinderella.
Obituary, page 14
Mr Thomas Jamieson; Senator Wilfred Kricheldorf.
Sport, pages 8 and 9
Wynne's confident of losing; Rugby Union: Three withdrawn from final England trial; Cricket: MCC in Australia; Racing: Prospects and programmes for Chertsey and Teesdale Park. Business News, pages 15-21
Stock market: Property shares rose sharply on the news that the freeze on United Kingdom commercial rents will be lifted. The FT index added 2.2 to 153.3.
Financial Editor: Banks and the end of the freeze on commercial rents; Bulmer comes under pressure. Vintages figures are better than expected.
Business features: The British Steel Corporation's case for raising its prices; by Peter Hill; Kenneth Owen discusses a fresh assessment of the prospects for using the tides to generate electricity.
Business Diary: Good times for the diary publishers; BSC's new man in Iran.

'The Times'

We apologize to readers, wholesalers and newsagents who did not receive their copies of *The Times* yesterday. Industrial action by the National Graphical Association prevented publication of our normal print order.

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HOME NEWS

Callaghan review of EEC moves reveals a staunch Europeanist

By Hugh Noyes
Parliamentary Correspondent
Westminster
On the sovereignty of Parliament, Mr Callaghan argued that in some ways government was now being encompassed on proposals coming from the Community which would often have passed almost unnoticed if they had derived from British sources.

Scots agency to control money for industry

By Geoffrey Smith
Political Staff
Mr Ross, Secretary of State for Scotland, has won his battle with Mr Wedgwood Benn, Secretary of State for Industry, over the control and powers of the proposed Scottish Development Agency. That is the effect of an announcement Mr Wilson is expected to make in the Commons today.

Lord Devlin says editors should stay free

Newspaper editors should be exempted from the Government's new legislation on union closed shops, Lord Devlin, former chairman of the Press Council, said last night. He said the new Bill framed by Mr Foot, Secretary of State for Employment, could provide "grand opportunity" for approving editorial freedom under conditions that would widen and strengthen it.

Journalists (NUJ), whose object was simply better pay. "But one of the weapons used was to black all contributions by non-union members. This is surely an invasion of the editorial right to choose and hardly a product of intelligent negotiation," he said.

In brief

12p butter token scheme to end
The Government's butter token scheme for needy people is to be abandoned at the end of the month. Mrs Castle, Secretary of State for Social Services, said yesterday.

Police ask Mrs Stonehouse for blood samples

By a Staff Reporter
Mrs Barbara Stonehouse, wife of Mr John Stonehouse, the missing MP, expressed in a BBC television interview last night her conviction that her husband died while swimming off Miami beach a month ago. She was bewitched at other theories and concerning his disappearance.

Mr Foot refuses to yield over closed shop

By a Staff Reporter
A meeting in London between newspaper and broadcasting editors and Mr Foot, Secretary of State for Employment, ended in deadlock yesterday after an hour with neither side prepared to modify its position on the closed-shop principle in the Government's Trade Union Bill.

Hopes of Fleet St peace in today's print talks

By Our Labour Editor
Peace talks aimed at resolving the Fleet Street pay dispute that has disrupted a number of national newspapers for the past week will be resumed today, after agreement by leaders of the National Graphical Association to suspend industrial action.

Peer seeks to change club colour bar law

By Peter Evans
Home Affairs Correspondent
A Bill seeking to prevent discrimination in clubs, introduced by Lord Avebury, the Liberal peer, had its first reading yesterday. Its intention, he said, was to reverse a House of Lords ruling in October that some types of clubs could refuse membership to people because of their colour.

Churchmen talk of 'signal' to IRA

Continued from page 1
clergymen said yesterday there was a "signal" to the Provisionals.
Yesterday the Rev Ian Paisley, leader of the Democratic Unionist Party, said he knew the details of the Provisionals' requirements. He said they sought a cease-fire followed by the release of all detainees, withdrawal of troops to barracks within two months if the cease-fire held, disarming of police, policing with local community groups and release of political prisoners.

Authors accuse clinics of abortion malpractices

Continued from page 1
of the firmness of their purpose in seeking an abortion, so they were referred to a psychiatrist around the corner in Harley Street. However, in no case did they experience any real difficulty in persuading two doctors to sign the required form of approval.

Mr Jenkins will not free the jailed pickets

By Paul Routledge
The Home Secretary last night declined to set in motion the machinery necessary to free the jailed Shrewsbury pickets, but indicated that they might qualify for parole early next year.

Actress gets divorce

Gayle Hunnicutt, the actress, was granted a divorce decree against her husband, Dav Hemmings, the actor, yesterday because of his adultery with a secretary.

Why Hine Cognac is different
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Botterill in clear chess lead
From a Chess Correspondent
Llangennech, Dyfed
The British chess championship play-off tournament, held to resolve the seven-way tie in the previous year, is likely to produce an outright winner. A quick win for G. S. Botterill in the sixth round yesterday left him clear leader with one point to the fore.

Weather forecast and recordings
A deep depression will move NE of NW Scotland.
Forecasts for 6 am to midnight: London, East Angles, E England: Mostly cloudy with occasional rain or drizzle but perhaps a few bright intervals early; wind SW, fresh; max temp 11°C (52°F).

Weather forecast and recordings
NOON TODAY Pressure is shown in millibars FRONTS Warm Cold Occluded
Sun rises: 8.3 am Sun sets: 3.53 pm
Moon rises: 11.6 am Moon sets: 11.19 pm
First quarter: Tomorrow.

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HOME NEWS

Fewer sales and lower prices bring turnover at two big sale rooms down with a bump

By Geraldine Norman Sale Room Correspondent Sotheby's and Christie's yesterday announced dramatically lower turnover figures for the autumn season. Sotheby's total turnover for October to December amounted to £27,423,000, compared with £36,395,803 last year. Christie's turnover is down to £12,797,000 from £16,531,000 last year. In both cases the fall is around a quarter.

Both auction houses now report their turnover figures net of unsold lots. The fall thus reflects the combined impact of lower prices and a smaller sold proportion of the total number of lots on offer. Christie's provide detailed figures by departments; the turnover in Impressionist and modern pictures is down by about a third. Oriental porcelain and works of art is slashed from £1,290,000 to £552,000. Old Master paintings are down by about a fifth and the turnover in modern British paintings is down by about three-fifths.

By contrast, jewellery turnover in London is up and the Geneva total is hardly changed. The turnover in coins and medals is up by two-fifths and turnover in arms and armour,

books, icons, and costumes and dolls are higher. It is remarkable that Christie's turnover has almost doubled in spite of the collapse in prices; this reflects a massive increase in the volume. Sotheby's announcement of their autumn results is a masterpiece of understatement. In giving this year's figures they have omitted to note that they are lower than 1973. They list the strongest markets of the last three months and mention Impressionist and twentieth-century pictures. Many would argue that this has been one of the weakest markets.

They mention that Jean Dubuffet's "Echange de Vues" sold for £145,259 in a Parke Bernet sale whose net total was £980,000. They do not mention that the gross total of the sale, that is including unsold lots, was £2,045,152. Failure to sell more than half the goods on offer is not exactly a triumph. Nevertheless they say: "Clients who have felt the need to sell in order to raise money have realized prices which clearly demonstrated that... the fine art market is remarkably buoyant."

Sotheby Parke Bernet's turnover in New York and Los Angeles is down from £16,900,000 to £10,900,000. Help for Arabs: Mr Andrew Faulds, Labour MP for Warley, East, a keen pro-Arabist, and

former frontbench spokesman for the arts, yesterday announced the formation of a purchasing panel to advise Arab countries on the acquisition of antiques, works of art and jewellery. The panel is headed by Mr Hugh Leggart, the St James's picture dealer, with whom Mr Faulds worked closely in the fight against museum charges.

Mr Leggart has brought together a team of specialist dealers, including Mr Roger Bluett, for Oriental art and ceramics, Mr Martin Mortimer of Delomonte for fine glass and porcelain, Mr Michael Rossi, of Walter R. Wilson, for gold and silver, Mr Manfred Seymour for antique and modern furniture, and Mr Denis Wrey, of the General Trading Company, for furniture and objets d'art.

The panel would be prepared to act as advisers and buying agents (not direct suppliers) for museums and private collectors from Arab countries. Curiously enough, none of the panel speaks Arabic or has previously had much contact with the Arabs. Their role is seen as the protection of new buyers from the machinations of the international art market. Mr Faulds said it was "to enhance our relations with the Arab world and to preserve the integrity of the London art market". Harpsichord at £4,725 page 14

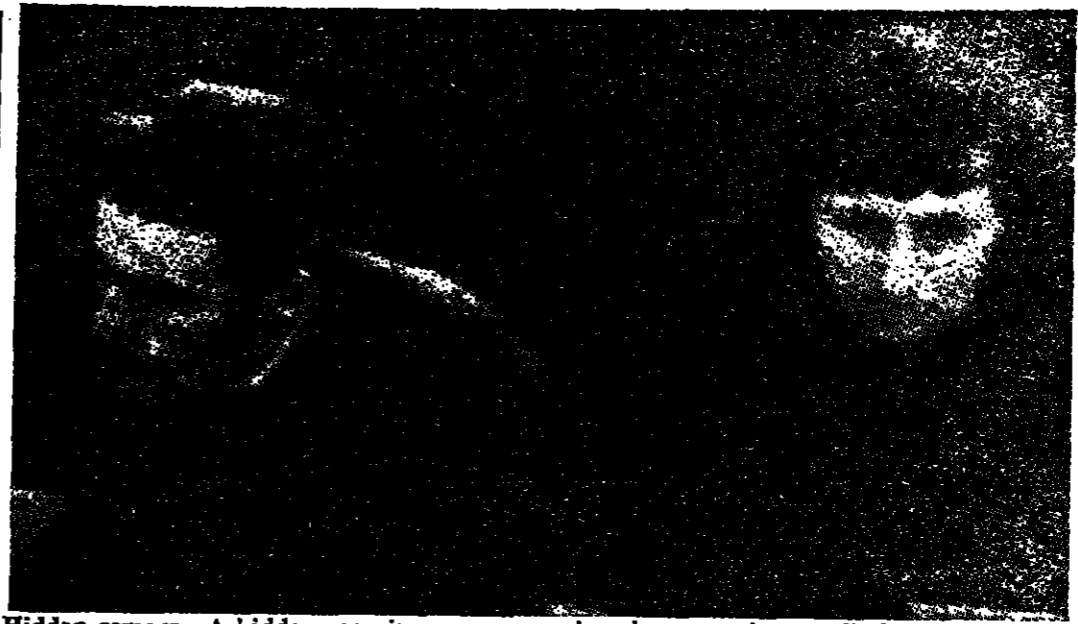
Government plans for consultants today

By John Roper Senior hospital consultants are to meet government representatives today for discussions that will show either that the point of confrontation has been reached or that the talks which began six months ago are worth continuing.

Dr Owen, Minister of State at the Department of Health and Social Security and chairman of the working party considering the new contract and arrangements for private practice, will make a full statement of the government position. Under pressure from members who have already decided to work to contract, the staff side has said that unless two basic principles are met, talks cannot go on.

The points are that consultants' pay from the National Health Service must be solely for the 33½ to 37½ contractual hours worked and that outside that time they must be free to work as they wish. Most consultants work about 60 hours a week in hospital and they are drawing attention to their view that their pay does not reflect their dedication.

Sanctions plan: Seventy hospital consultants in the South-east Thames Regional Authority area, stretching from Brighton to Thanet, begin sanctions from January 2 (the Press Association reports). They will work to "contractual hours", a total of 38½ hours a week.



Hidden camera: A hidden security camera was discovered during a raid on the Clydesdale Bank in Ingram Street, Glasgow, nine days ago, it was disclosed yesterday. Police have issued this photograph of two men they wish to interview.

Move to get benefit for disabled housewives

By Our Political Staff Mr Lewis Carter-Jones, Labour MP for Eccles, had the backing of eight Conservative MPs in the standing committee on the Social Security Benefits Bill yesterday in carrying an amendment to entitle severely disabled housewives to the new non-contributory invalidity benefit. It was carried by nine votes to eight.

Mr Kenneth Clarke, MP for Rushcliffe, who leads for the Opposition on the Bill, said afterwards: "It was quite disgraceful that the Government should have thought that it could exclude disabled housewives." Mr David Price, Conservative MP for Eastleigh, whose wife is disabled, said that backbench action had produced an excellent result. "This will be a wonderful Christmas present for the severely disabled housewife," he said.

In the committee Mr Price said: "A disabled housewife has a frustrated yesterday, a frustrated today, and a frustrated tomorrow. If the housewife's disability benefit were set at the same level as the non-contributory invalidity pension, namely at £6.90 a week, I calculate that, on a total of some 40,000 beneficiaries, the cost would be about £14m a year."

More protection for holidaymakers

By Arthur Reed Holiday makers will receive increased protection against the financial collapse of package tour companies during the 1975 season as a result of new regulations announced in London last night.

The Civil Aviation Authority has told air travel organizers that the bonds required from them will be increased from 7.5 per cent to 10 per cent from April 1 in the case of members of the Association of British Travel Agents (ABTA), and from 12.5 per cent to 15 per cent for others.

This means that the percentage of the annual turnover of the travel companies which is placed in bond for the repayment of holiday money in the event of a failure is substantially increased by the authority.

The authority said it was considering a revision of the bonding system after the failure of the Court Line travel group. The association said the Government had accepted its plans in principle and legislation would be introduced soon after Christmas.

Court Line hope: Holiday-makers who lost money when Court Line crashed will be repaid as soon as possible, the Association of British Travel Agents said yesterday. The promised repayment formed part of an agreement between the Government and the association aimed at protecting holidaymakers in the future (the Press Association reports).

The association said the Government had accepted its plans in principle and legislation would be introduced soon after Christmas.

Jail sentences and £60,000 fines for vice syndicate

Seven men convicted of running a big vice ring in Soho and Mayfair were jailed at the Central Criminal Court yesterday and fined a total of £60,000. The heaviest sentence was on Leonard Silver, aged 52, a Soho club owner, of Wilton House, Knightsbridge, London, who was jailed for six years and fined 30,000.

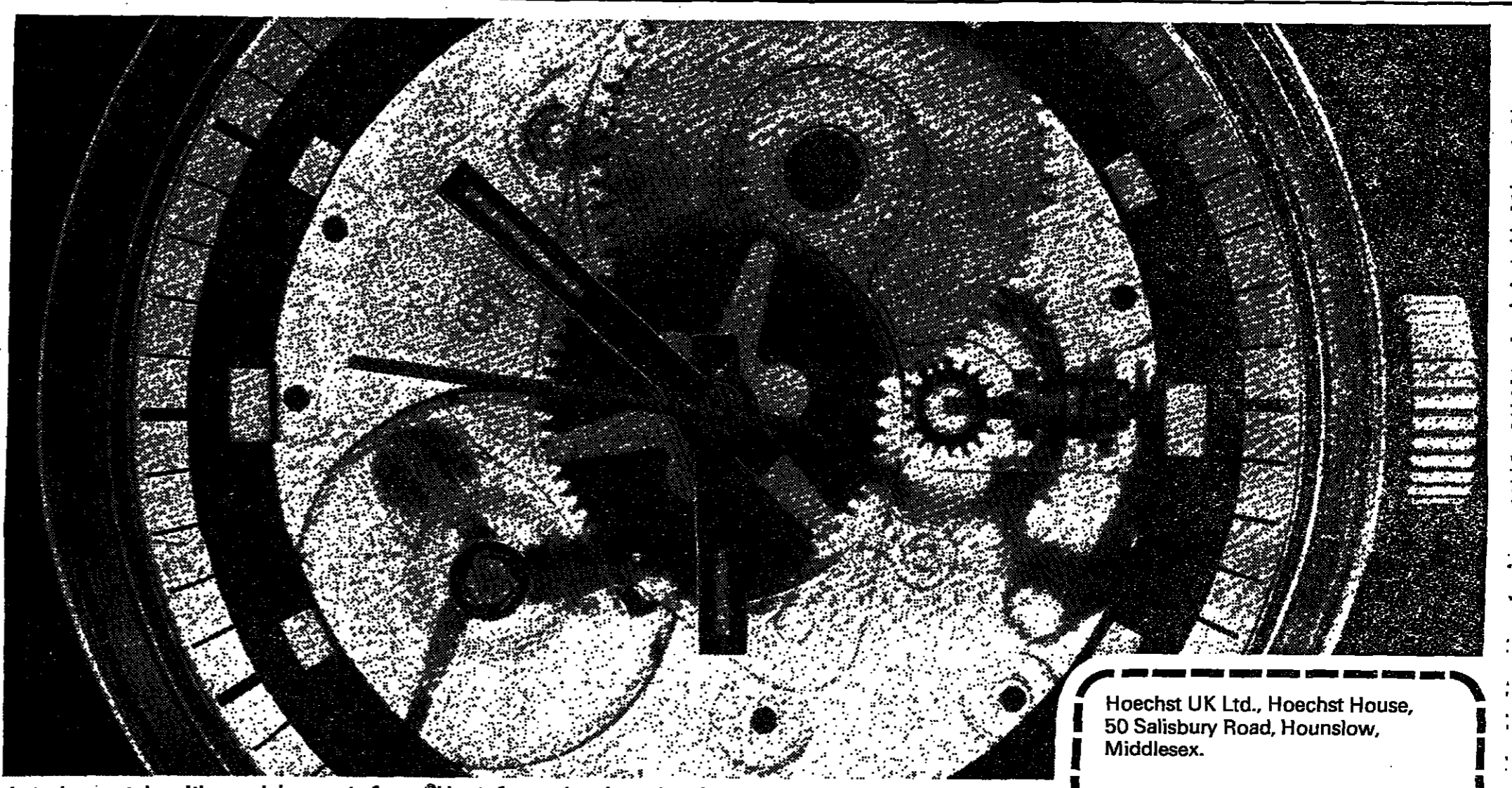
Two other members of his syndicate, which operated for 18 years, were each jailed for five years. They were Emmanuel Artolo, aged 42, who was also fined £15,000, and Anthony Angion, aged 48, a property developer, who was fined 10,000. Frank Melitto, aged 41, was acquitted on the main Soho vice charge but found guilty of erasing a similar but smaller organization in Mayfair with other men, who escaped. Mr Melitto was jailed for four years and fined £5,000.

Victor Micallef, aged 33, described as a collector on his way to becoming a more eminent member of the syndicate, was jailed for three years. Joseph Isud, aged 41, a carpenter, a second syndicate's maker and collected rents from prostitutes was jailed for two years. A seventh man, Romeo Saliba, aged 56, of Almeida Street, Brighton, who admitted his part both in the Soho and Mayfair rings, came back from his British, when he needed have done so, under the misapprehension that he would be

a prosecution witness. He unexpectedly found himself accused. In those circumstances, the judge said, he would take an exceptional course and pass a nine-month jail sentence, which meant that Mr Saliba would be released quite soon. He had spent three months in solitary confinement for his own safety while awaiting trial.

Mr Silver, Mr Mangion, Mr Bartolo, Mr Micallef and Mr Melitto were found guilty on Wednesday of conspiring together and with others to live off the earnings of prostitution in Soho between January, 1964, and December, 1973. Mr Melitto, of Sussex Gardens, Paddington, was found guilty of conspiring with a man not in custody to live off the earnings of prostitution in Mayfair. Mr Saliba pleaded guilty to both those charges.

Mr Mangion, of Eccleston Square, Westminster, and Mr Bartolo, of Bramber Road, North Finchley, were slightly less culpable than Mr Silver, the judge said. But each had "convicted" greatly "from involvement with the other conspirators. Mr Micallef, of Alexander Road, Upper Holloway, London, who admitted two charges of possessing firearms without a certificate, was given three months' imprisonment on each charge, running concurrently with three years for the vice charge.



Astrolon watch, with precision parts from Hostaform, developed and produced by Tissot

New chair for research into rain damage of the unborn

In John Chartres Chester the creation of a new professional chair in child growth and development at Manchester University medical school was announced in Manchester yesterday. The work of the department, made possible by a £100,000 grant from Action Search for the Crippled Child, is devoted to research into causes of brain damage in unborn babies, from conception until three or four years after birth. The first incumbent of the chair is Professor John King, previously senior lecturer in child health at the university, whose work on human development is internationally recognized. He said yesterday that he and his department will be

able to build up new information on the critical stages at which a child's brain might be damaged (both before and after birth) and that it will be able to evolve detection techniques which would show, at the earliest possible stage, whether an unborn child had succumbed to damage which would result in disastrous illnesses such as mongolism or spina-bifida. This particular line of research, he said, could help a mother, her husband and her direct medical advisers to make a decision on whether a pregnancy should be terminated. A ceremonial handing over of the £200,000 cheque by Mr Duncan Guthrie, director of Action Research, had to be called off after the bag containing it was impounded in a British Rail security check.

Teacher cleared of killing spasser

Richard Fountain, aged 42, a plumber, of St Dionis Road, West London, was found guilty at the Central Criminal Court yesterday of the murder or manslaughter of Mr Collins, aged 52, a former petty officer, who lived near Road Fulham. Fountain said he had had a sword at Mr Collins, had barged into his house, were him off and protect three pet dogs from attack. The intruder, who was passive and violent, "staggered on to the blade and suffered a seven-inch stab wound which killed him within minutes. Fountain did not know Collins had run on to the blade and was "horrified" he collapsed.

Owner loses in claim against Jockey Club

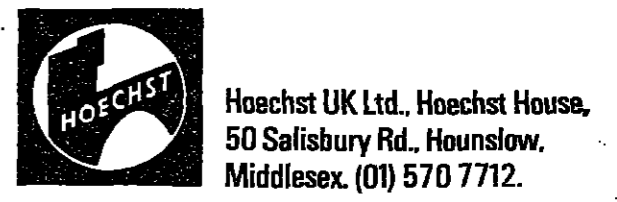
Mr George Green, a racehorse owner, and Mr Albert Davison, a trainer, yesterday lost a High Court case in which they sued the Jockey Club for negligence. They said that Franwin, Mr Green's six-year-old gelding, had suffered from impaction (a blockage in the gullet) giving a routine dope test at Folkestone in 1972. Mr Justice Waller, in a reserved judgment, held that he was not satisfied that Franwin had eaten straw while in the dope-testing unit. Mr Green, of Wallington, Surrey, and Mr Davison, of Caterham, had sought to recover damages for the opportunities to win which the horse had missed. Mr Green had claimed damages for being deprived of the pleasure of seeing Franwin run, as he had been unable to race for two months after the incident. Had the action been successful, the judge said he would have awarded Mr Green only "modest" damages for the loss of pleasure of seeing Franwin run, while £500 "would have been appropriate" for compensation for the loss of chances of winning races. He gave judgment with costs for the Jockey Club.

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Hoechst keeps thinking ahead

HELP ICMA HANDICAPPED CHILDREN Funds, covenants, legacies urgently needed INVALLID CHILDREN'S AID ASSOCIATION 26 Buckingham Palace Rd. London SW1 W9SS Page 5 HANDICAPPED CHILDREN (Captains) (Captains)

HOME NEWS

Four-star petrol will cost from 62½p to 74p, garage men say

By Edward Townsend Business News Staff
Wide disparity in petrol prices is expected at garages today, with the abolition at midnight of maximum price controls.

some areas operated only one pump. Others, who had had deliveries at the new price chose to stay open and retain motorists' goodwill.
According to the AA, garages closed in the Midlands, Leeds, Norwich, Cardiff, Southampton and south coast towns. There was no shortage of petrol, it said.



The deserted forecourt at a filling station in Old Kent Road, London, yesterday.

Jail for two on charges over Oxford bombings

From Our Correspondent Oxford
Two of the five men in the Oxford "time bomb" trial were given prison sentences yesterday. Michael Peter Skelding, aged 22, a marketing assistant, of Tamworth Road, Appleby Magna, Burton upon Trent, received a total of two years. He had admitted causing criminal damage at Blackfriars Dominican Friary in St Giles, the former Irish Club in St Clement's and at Ruskin College, all on July 31 last, and at Blackfriars on March 17, 1973.

British Library loses latest round for Bloomsbury site

By Kenneth Gosling Arts Reporter
In the face of continued opposition by the British Library, the Government is to go ahead with detailed design work so that construction of new buildings for the library can begin in 1979-80 on former railway land fronting on the Euston Road, London.

buildings, the board said, also issuing a pamphlet setting out its detailed arguments, would be the most impressive of its kind in any capital city.
In his reply to Mrs Jeger, Mr Jenkins says the Government has been considering with the board how further progress could be made towards a solution of the library's long-standing and increasingly pressing needs for a headquarters for its readers, staff, collections and services. At the same time they must recognize that the intention expressed by past governments of both parties to use the land adjoining the British Museum in Bloomsbury would involve the kind of large-scale redevelopment and disturbance towards which public attitudes had much changed.

Atlantic trough may yield Britain fortune in oil

From Ronald Faux Edinburgh
A deep cleft in the bed of the Atlantic severs hope of the oil-rich, successful claim to Rockall, the remote island annexed by Britain in 1955 and now a possible key to the ownership of an oil-rich seabed. This view was put forward yesterday by Professor Ian MacGibbon, head of the department of international law at Edinburgh University.

County inquiry into case of 'Belsen' baby

Mr George Newton, Director of Social Services for Wiltshire, said yesterday that he was conducting an investigation into the case of Matthew Gavin, aged 24, and had called for all the facts. Judge McLeish said at Salisbury Crown Court on Wednesday that the treatment of the child "would not have done discredit to Belsen or Auschwitz".

February election spending was up 44 per cent to £2m

By Our Political Editor
In the general election on February 28 last 2,135 candidates spent an average of about 5p on each elector, compared with 37p in the general election of 1970. The rise reflects the increase in the permitted expenditure of candidates.

Guard's failure blamed for rail crash

A guard's failure to connect a brake vacuum pipe was blamed yesterday for a train crash which wrecked part of Chester General Station in May, 1972. Mr L. Miller, who had been a guard for 11 months, also failed to carry out a simple routine test which would have shown up the failure, a report by the Department of the Environment said. The driver, Mr E. Perry, is also blamed for knowing the test was not done.

Guard's failure blamed for rail crash

The crash happened when a 38-wagon goods train carrying kerosene and petrol ploughed into a two-coach diesel train, ramming it through the buffers, and causing a big fire. No one was seriously hurt.

Christmas makes essentials dearer

The cheapest fresh food at Christmas is always the least festive an filling. This year avocados, mackerel, large cuts of beef, and turkey are the most expensive. Supermarket price-cutting policies ensure that Christmas is the cheapest time of year for buying fresh food. Supermarket promotions on drinks this year range from nine pence for a bottle of Coca-Cola to 7p a tin (Liptons and MacMarket).

Food prices

starting at about 25p a pound and trimmed ribs up to more than 65p.
Fresh poultry has increased in the past week and by next week it may be hard to find a fresh turkey that is not extremely heavy. The British Poultry Federation reports that the price of supermarket broilers has risen to 25p a pound, 30p a pound. Fresh chickens now cost 28p to 34p a pound.
The Department of Prices and Consumer Protection predicts with some confidence that the cost of roasting beef will be 2p to 4p a pound higher this weekend than last and that chicken prices will be unchanged. It expects that fresh fish will cost between 45p and 50p a pound.
Most sea fish other than cod and mackerel will be quite dear, with plaice and haddock fillets at about 70p a pound. Mackerel costs between 17p and 23p a pound, less

Hugh Clayton

than herrings and scarcely more than sprats. Skate and rock salmon are both more expensive than usual, while the nobler fish like turbot and halibut command anything from 80p a pound upwards. Small trout are steady at about 75p a pound.
Tomato prices have risen sharply in the past week to more than 40p a pound and sprouts have shown small increases. The best vegetables for Christmas will be roots, as always, with parsnips and swamps at 4p to 5p a pound. Carrots are in good condition at 3p to 6p and few shops have Jerusalem artichokes at 14p to 18p a pound.
Potatoes are plentiful and fairly priced but the quality of some that are now reaching shops after the recent long spell of wet weather is poor. Citrus fruit is plentiful and in excellent condition and there are good pineapples from 40p to 60p each.
Wise eaters will enjoy as much fresh food as they can during the holiday, for the price increases in store for the first three months of next year are severe. Sugar and other staples are also achieving price review.

Councils to get £240m grant for transport

The Government yesterday announced a £240m supplementary transport grant to county councils and the Greater London Council for 1975-76. Representing central government's contribution to all rate-borne transport expenditure, it replaces a number of specific grants for particular types of spending.
Each county's allocation of the grant is determined on the basis of its estimated spending during the coming financial year. The counties submitted estimates last July.
In a letter to the authorities concerned, Mr Mulley, Minister for Transport, suggested that it would probably be necessary for authorities, particularly in big urban areas, to set more limited objectives for their transport schemes, and to achieve them by

WEST EUROPE

EEC proposal for state aids to industry goes against Labour's renegotiation demands

From Roger Berthoud Brussels, Dec 19
A potentially inflammatory document has just been safely assembled, just handed on the desk of Mr Anthony Wedgwood Benn, the Secretary of State for Industry. It is the first draft of the European Commission of the Department of Competition of a new scheme for EEC coordination of state aids to industry in member states. It appears to have been circulated as a trial balloon.

This was agreed by the Six, the founding members, in 1971 to prevent big firms touting for the maximum incentives to invest, with the plum going to the highest bidder.
Under the new draft scheme, if it emerges intact from the scrutiny of the 13 members of the Commission, including the British members, Sir Christopher Soames and Mr George Thomson, there would be four regional categories, each with a different ceiling.

In the poorest category are Greenland, the Irish Republic, Northern Ireland and Italy's southern Mezzogiorno area. For them, the ceiling would be the aid level existing in January, 1975, when the scheme was due to come into effect.
The Commission would have to approve all projects worth more than 25m units of account (some £12.5m) for which aid exceeding 35 per cent is envisaged. Smaller projects also might have to be scrutinized if they affected particular sectoral problems or the rules of the Community.

Madrid envoy tells of threat to kill him

From Our Correspondent Madrid, Dec 19
The Chargé d'Affaires of Equatorial Guinea in Madrid was given special police protection today after he complained that he had been threatened to kill him and his family.
The alleged threats against the diplomat, Mr Carmelo Nvono Nca Manene, came at the time of reports published abroad of terrorism, legalized murder and tyranny in the former Spanish colony. Since achieving independence in 1968, it has been ruled by a former civil servant of the Spanish Government, Mr Francisco Macias Nguema—now the "Lifetime President" of his country.
According to the Chargé, he submitted a note to the Spanish Foreign Minister on December 8 regarding the threats but the police had not increased their watch on the ambassador and on his home until today. The Foreign Ministry had no comment to make when questioned.

Uruguayan diplomat shot dead in Paris

From Richard Wigg Paris, Dec 19
Colonel Ramon Trabal, military attaché at the Uruguayan Embassy in Paris, was killed today as he was parking his car in an underground garage near his home. Police launched a search operation after workmen on a construction site reported that just after hearing gunfire from the garage, they saw two men fleeing.
A French doctor who also heard the shots arrived to find the 45-year-old colonel dying. Later, an organization calling itself the Ramon Sencic International Brigade, claimed responsibility for the assassination. It accused the colonel of having been a "notorious torturer" of opponents of the Uruguayan regime.
A lengthy statement made available to Agence France Press said the killing was done on behalf of the Tupamaros, the Uruguayan left-wing urban guerrilla movement which

Rights body to consider wire tapping claim

From Our Correspondent Strasbourg, Dec 19
A claimant that a West German Act of 1968 permitting secret wire tapping and control of correspondence contravenes the European Convention on Human Rights was declared admissible today by the Commission of Human Rights in Strasbourg.
The plaintiffs—a judge, a public prosecutor and three barristers—claim that under the Act people subjected to secret surveillance in West Germany are not subsequently informed of their rights. The Act violates the following provisions of the Convention: the right to a fair hearing by the courts; respect for private life and correspondence; and effective remedy before a national authority in respect of violations of rights.

French postmen go slow over pay stoppages

From Our Own Correspondent Paris, Dec 19
With some 19 million letters waiting to be delivered, the backlog of a six-week strike, French post office workers have now started working to rule.
A fortnight after the Government had apparently won a struggle with the postmen, mail deliveries are already in difficulties, just as the final Christmas rush is about to start. France-Soir reported that a letter it posted in Paris took 16 days to reach Lille, not 150 miles away.
The new bone of contention is the decision, publicly confirmed to Parliament last night

Schroder-Arafat talks cause storm in Bonn

From Our Own Correspondent Bonn, Dec 19
Dr Gerhard Schröder, the former West German Foreign Minister, came home to a political row today after a visit to the Middle East during which he saw Mr Yassir Arafat, the Palestine Liberation Organization leader.
West Germany is one of the many places where Mr Arafat is less than loved, politicians of all parties attacked Dr Schröder for accepting an invitation to meet him. Others, again of all parties, have defended his decision.
An Opposition Christian Democrat and chairman of the Bundestag's foreign affairs committee, he told reporters on his arrival at Frankfurt airport today that the meeting had been arranged between Cairo and Damascus.

Naples industrialist is kidnapped by car ruse

From Our Own Correspondent Rome, Dec 19
Signor Giuseppe Moccia, a ceramics and cement manufacturer, has been kidnapped in Naples. This was the first kidnapping in a southern newspaper about a growing similarity, in at least one field, between north and south Italy in that rich industrialists are no longer safe from the ransom hunters.
Signor Moccia was abducted as he was driving to work yesterday by a group of four or five men who led him into an ambush. They made him leave the main road by placing "No entry" signs on his usual route shortly before he set off in his car.

French aircraft carriers for Mediterranean

From Our Own Correspondent Paris, Dec 19
In order to strengthen its presence in the Mediterranean, France has decided to move its two aircraft carriers, Foch and Clemenceau, from their present base at Toulon.
The anti-aircraft cruiser Colbert and two frigates will also be moved.
The transfer was decided at a meeting of the French Defence Council under President Giscard d'Estaing.

Basque hunted for shooting civil guards

From Our Correspondent Madrid, Dec 18
After four civil guards were cut down by machinegun fire in less than 24 hours, Spain's most wanted man today is a Basque, who is also suspected of being concerned in the assassination of Admiral Luis Carrero Blanco, the Prime Minister, a year ago tomorrow.
Before his arrest, the Basque was held for two months by the civil guard who were killed by automatic weapons fire on Tuesday night at Mondragon, near San Sebastian, a team of suspected members of the ETA (Basque Homeland and Liberty) seriously wounded two more civil guards with automatic weapons fire yesterday at Urcola, 10 miles from Bilbao.
Witnesses to the second incident said three men stepped out of a parked car in front of

French aircraft carriers for Mediterranean

a factory as pay clerks were talking the Christmas pay envelopes out of the offices to deliver to workers in the factory.
The unmasked gunmen fired several bursts at the two policemen who accompanied the pay clerks. Then they got back in the car and sped away. The fact that they did not seize the £154,000 in cash puzzled investigators.
One theory was that the operation may have been a political revenge killing rather than a holdup. Another theory is that they were frightened after the shootings.
Police say that witnesses' descriptions gave them a clue to the identity of the leader of the gang. A massive manhunt began throughout the north for Basque Manuel Bermejo Ordozua, alias Argala, the man

The Pope urges 'disarming of minds'

From Peter Nichols Rome, Dec 19
The Pope said today in his annual peace appeal that "minds had to be disarmed if recourse to war were to be effectively stopped".
In his message for the Church's Day of Peace on January 1, the Pope said peace only had value to the extent that it sought first to be interior before becoming exterior. "It is necessary to give to peace, that is to say to all men, the spiritual roots of a common form of thought and love."
"St Augustine, designer of a new city, writes that the identity of man's nature is not sufficient to bring them together among themselves. They must be taught to speak the same language that is to say, to understand one another, to possess a common culture, to share the same sentiments, otherwise 'man will prefer to be with his dog rather than with a man who is a stranger'."
The process of what the Pope called the "interiorization of peace", meaning true civilization, had already begun. It was, he said, maturing as the world developed. It found its persuasive strength in the universal dimensions of the relations of every kind which men were establishing among themselves.
"It is a slow and complicated work, but one which, to a great extent, is happening spontaneously: the world is progressing towards unity."
"But nevertheless we must take note that today new forms of national nationalism are being kindled, ancient in manifestations of touchy rivalries based on race, language and traditions; there remain sad situations of poverty and hunger; powerful economic multinational expressions are arising, full of selfish autonomies; social and religious ideologies are being organized into exclusive systems; territorial conflicts break out with frightening ease."
The Pope went on to warn the world of a possible disaster. "And above all, there is an increase in the number and the violence of nuclear weapons for possible catastrophic destruction, such as to stamp terror with the name of peace."
"Yet, the world is progressing towards unity, but even as it does so there increase the terrifying hypotheses which envisage more possible, more easily and more terrible, fatal clashes—clashes which are considered in certain circumstances, inevitable and necessary, and called for, as it were, by justice. Will justice be done the sister no longer of peace but of wars?" he asked.

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who, police allege, touched two power wires together last December 20, setting the explosion that blew Ad Carrero Blanco's big Bu Dodge car six streets into air, killing the Prime Minister's driver and a bodyguard.
A total of six civil guards have died from ETA gun this year in the province Guipuzcoa, where the latest police killings took place. It has also shot to death a determined number of guerrillas and the Government has tried and sentenced off ETA activists.
In Mondragon, a wrecked a shop early last week. It was the second year Mondragon within 24 hours the Spanish in the Basque region the same time span injuries were reported.

OVERSEAS

Congress ignores Kremlin denial

From Frank Vogl US Economic Correspondent Washington, Dec 19 Both houses of the United States Congress moved swiftly today to ensure enactment of important Bills dealing with trade (despite mystifying denunciations by the Russians), foreign business, taxation and rising unemployment.

Congressional leaders deliberately chose to ignore yesterday's bewildering outburst on trade issues from Moscow, as they rushed ahead to reach agreement on a final version of the Trade Reform Bill.

The Bill is almost certain to pass through both Houses within the next few hours, thus paving the way for an early start next year to a new round of trade liberalization negotiations within the General Agreement on Tariffs and Trade.

Because of Moscow's repudiation of having ever given assurances the emigration policies will be eased in return for trade concessions, it is now by no means certain whether the Trade Bill will lead to expanded United States-Soviet trade and, more importantly, to an improvement in the general prospect of East-West détente.

Administration officials and congressmen largely take the view that the Russians will go ahead with the lifting of emigration restrictions. Yesterday's statement from Moscow is widely seen as no more than a face-saving public relations exercise by the Soviet leadership, aimed at dispelling the impression that Soviet internal policies have in any manner been modified on account of pressures from Congress.

Edmund Stevens writes from Moscow: Official reaction here to the Tass statement denying that the Soviet Union had promised to relax restrictions on emigration to exchange for trade benefits is not yet available but Western observers tend to agree that it is simply a face-saving gesture for the record. They feel that neither the Tass denial nor the appended Gromyko letter to Dr Kissinger, dated October 26, which has been published but quiet diplomacy been allowed to take its course.

Thus, in 1973, the so-called education tax on Jewish emigrants was discontinued without any response to American representations. Senator Jack Ruby did not then choose to dramatize and publicize the issue for his own political purposes.

But this time, after Senator Jackson has been trumpeting alleged Soviet concessions and claiming credit for them on television, the Russians could hardly afford to remain silent.

For one thing, they had to vary about their efforts to improve their image with the West. When President Sadat of Egypt recently called for a 6-year moratorium on immigration to Israel, the message was mainly addressed to the Kremlin which got it.

Superficially, the denial is in line with what has been the official Soviet posture all along. One need only thumb back to the comments by Mr Brezhnev, the party leader, during the Kremlin dinner he gave or American company executives, and members of the board of directors of the American-Soviet Trade and Economic Council.

He spiced an otherwise bland and friendly speech by tating that efforts to make the expansion of trade and economic ties conditional upon the Soviet Union bowing to demands on issues that belonged entirely to its internal competency would fail.



Chinese Army cavalry on exercise in the snow along Sinkiang's border with the Soviet Union. In Moscow reports of frontier clashes were officially dismissed as a fabrication.

Ford mark on new style White House

From Fred Emery Washington, Dec 19 Announcing that President Ford had "put his house in order", Mr Donald Rumsfeld, the White House chief of operations and coordination, has unveiled the completed staff organization.

Living up to the original pledge of openness, he released the internal staff telephone directory to the press, as well as an office floor lay-out plan. It is axiomatic that proximity is power, and there are some important changes. The President himself takes over a "study" adjacent to the Oval Office for more informal working, displacing somewhat further down the hall Mr Robert Harman, who remains, none the less, his closest political adviser.

More substantially, the director of the office of management and budget moves altogether out of the White House West Wing, where Mr Roy Ash and his Nixon regime predecessors had an office. Mr Ash's resignation becomes effective in February.

Cabinet functions previously usurped at the Nixon White House are being returned to the departments at Mr Ford's order. Five men at the Ford White House are given Cabinet rank. They are Mr Philip Buchen, the President's legal counsel, Mr Harman, who is in charge of all speech writers, as well as political advisers, Mr John Marsh, also ranked as "counselor", who is in charge of congressional relations and public liaison; and Mr Rumsfeld. The youthful Mr Rumsfeld will not have it that he is the "chiefest" person next to the President, but he is seen to be so.

The fifth—and only departmental—head is Dr Henry Kissinger, who retains the dual function of assistant to the President for national security affairs and Secretary of State. Two new refreshing concepts were outlined by Mr Rumsfeld. The first is that no one is to consider himself indispensable. Hence there is a system of full-time deputies for each senior post.

The other engaging idea is that the White House and its staff no longer be "separated" from the rest of Government. Washington, Dec 19—President Ford today nominated Mr Joseph Latta, a former journalist, as Assistant Secretary of Defence for public affairs. If confirmed by the Senate, he will succeed Mr Jerry Friedman as head of the Pentagon's public affairs division.—Reuter.

Split in East African Community

From Our Correspondent Nairobi, Dec 19 Relations between Kenya and Tanzania became even more strained today as Kenyans took retaliatory measures against recent actions by Tanzania. Tanzania had closed its roads to traffic between Kenya and Zambia and expelled Kenyans from jobs.

In Kenya, Mr Eliud Mahiu, the Coast Provincial Commissioner, ordered all road traffic on two through roads between Mombasa and Dar es Salaam to be turned back. The official reason is that road work in progress has made the roads impassable.

The East African Railways Corporation has been instructed not to issue passenger tickets between Kenya and Tanzanian stations. Goods trains have also been suspended, according to informed sources. Yesterday Mr O. G. Mbendela, a Tanzanian employee of the East African Harbours Corporation, who is a port supplies officer at Mombasa, was ordered by the Coast provincial commissioner to leave Kenya by 6 am today. He left last night.

The effective closing of the border has left hundreds of Kenyans stranded in Tanzania, and an equal number of Tanzanians unable to leave Kenya. Today's moves followed a resolution passed earlier this week by the Mombasa branch of the ruling Kenya African National Union's governing council urging the Government

Ugandan ports, has been held at the Kenyan port of Kisumu. The ostensible reason is the cholera outbreak in the town this week.

So far as is known, only one border crossing between the two countries still remains open, at Namanga. But the use of this route for traffic between Mombasa and Dar es Salaam adds about 700 miles to the journey. The East African Community's airline, East African Airways, has not yet been affected.

Over the past few weeks a rift between the two countries has widened, in particular because of the Tanzanian decision to close its roads to traffic between Kenya and Zambia.

Both the Kenyan and Zambian Governments have protested strongly, but the Tanzanians have remained adamant, allowing only small tonnage vehicles to use the roads.

Although today's moves have been made by the Coast provincial commissioner, it is understood from reliable sources that he was in Nairobi for consultations with senior government officials earlier this week.

Observers in Kenya suggest that this week's actions on both sides of the border, after a long history of dissension between the three partner states, may indicate the imminent break up of the Community, established by the treaty of East African Cooperation in 1966.

FBI forbidden to snoop on socialists

From Our Own Correspondent New York, Dec 19 A New York federal judge has forbidden the Federal Bureau of Investigation (FBI) to spy on or monitor a meeting of the Young Socialist Alliance. The meeting is to take place in St Louis at the end of the month, and its participants went to court to prevent the FBI from snooping on them.

They argued that action of this sort would inhibit people from attending the meeting, and that if the FBI was allowed to draw up a list of those taking part it might be to their detriment later in life if any of them applied for government jobs.

Judge Thomas Gries ruled that FBI surveillance would violate the group's constitutional rights. He said: "As a matter of policy, the healthy thing for our society to do is to permit this group to freely have their discussions on the issues which concern them and of their theories."

Supreme Soviet promises effort to fulfil targets

Moscow, Dec 19—Deputies of the Supreme Soviet, after acclaiming Mr Brezhnev, the party leader, on his sixty-eighth birthday, went on today to discuss the state's proposals for defence spending cuts and measures to raise industrial output and living standards.

More than 1,500 deputies from all parts of the Soviet Union met in both chambers of the Supreme Soviet for the second day and were expected to approve the state budget unanimously tomorrow.

Mr Garbusov, the Finance Minister, yesterday proposed a 200m rouble (£118m) cut in military spending next year as a gesture towards détente. His draft budget also provided for greater investment in the social services.

The state plan calls for intensive efforts next year—the last in the current five-year period—to increase output, particularly in the industrial pro-

Four months' jail over false Nixon tax return

From Patrick Brogan Washington, Dec 19 Another former assistant to President Nixon was sentenced to prison today. Mr Edward Morgan, who helped the former President to falsify his income tax returns in 1970, was sentenced here to a two-year term of which he must serve four months. He will be put on probation for the rest of the time.

Mr Morgan had pleaded guilty to the charge that he prepared a deed of gift of Mr Nixon's vice-presidential papers to his nation, and pretended it so that it would permit Mr Nixon to deduct the supposed value of the papers from his income tax.

The law had then been changed, forbidding the practice, but Mr Morgan, who was deputy counsel to the President, had performed the act of gift to save Mr Nixon \$500,000 (about £217,400).

When the matter was discovered and Congress had examined the case, it ruled that Mr Nixon owed the tax authorities \$516,000 and he agreed to pay back some \$470,000.

The question of Mr Nixon's possible fraud was left open and has now been closed by President Ford's comprehensive pardon of his predecessor. The House of Representatives judiciary committee, after an impassioned debate, rejected the proposed article impeaching Mr Nixon for income tax evasion.

Mr Morgan is the seventeenth member of the Nixon Administration to be sentenced (three of the others received suspended sentences) and will join several of them in a prison in California. Four others, together with one of the 17, are on trial now for the Watergate cover-up, a former Secretary of the Treasury has been indicted for bribery, and another Cabinet secretary is expected to be indicted soon.

In sentencing Mr Morgan, Judge George Hart said that he deserved much sympathy but that he had willfully betrayed his trust to the law and the public. "Such an action cannot depart this court unflagged," he said.

Middle East impasse increases talk of war

From Paul Martin Beirut, Dec 19 After a year in which peace dominated Middle East thinking, the area has lapsed back into uncertainty akin to the "no war, no peace" days before the October War.

During the past month Israel and its Arab neighbours have increased their war of words to a pitch that has made another round of fighting appear almost inevitable.

Daily the predictions of war come from one side or another. Israel has betrayed its restlessness with threats against Syria and, more recently, against interested Arab parties further afield.

Hints about nuclear capability are regarded as another ominous sign. All this comes after a series of diplomatic setbacks for Israel.

On the Arab side, President Sadat of Egypt has likened the present situation to a "time bomb" ready to explode. King Hussein of Jordan has declared that it is no longer a question of whether there will be another war but how soon it will come.

Israel has done its share to contribute to this situation. Its preoccupation with the northern front with Syria is nothing new. Clearly, the present diplomatic impasse and the generally gloomy mood has helped to build up the forthcoming Middle East tour of Mr Brezhnev, the Soviet party leader. His visit is unlikely to reverse his power fortunes overnight.

However, if the Americans are unable to restart their diplomatic machine in the short space of time before he arrives here, then the Soviet dictum—the Geneva peace talks—will appear the only alternative.

What is clear to all is that the peace machinery has ground to a halt. With the initial disengagement agreements and on the Golan front almost history, the Arabs fear that the momentum created by Dr Henry Kissinger is in danger of being lost. This in turn has endangered the American Secretary of State's step-by-step approach to a settlement and set all concerned on a collision course.

Although talk of war does inject a sense of urgency into the situation, it is becoming increasingly clear that the respective leaders are engaging in the war of words with growing conviction. Indeed, the one hopeful sign is that none of the Middle East combatants has abandoned the course so far charted by Dr Kissinger.

There is no doubt that the Palestinian side of the Middle East crisis has focused on the negative aspects of the present situation. The steadily escalating "Palestinian war", invariably waged across the Israel-Lebanon border, has exposed the nerve ends and reemphasized the military side of the conflict.

However, it is equally clear that this is not all. The atmosphere has undergone a marked change since the heady days after the October War. Although serious-minded Arabs believe Israel has suffered some important setbacks, they also recognize the potential danger this could bring upon the Arabs.

The war scare that led up to the expiry of the United Nations mandate on the Golan Heights was an example of this uncertain mood. Speculation on an Israeli surprise attack to destroy the Syrian war machine persists in the Arab news media.

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Agreement signed by Angolan leaders

From Our Correspondent Lusaka, Dec 19 The two main Angolan liberation leaders, Dr Jonas Savimbi and Dr Agostinho Neto, flew to Lusaka together today after signing an agreement which partly paves the way for constitutional talks with the Portuguese and the establishment of an interim government.

Dr Savimbi heads the military strong unit, and Dr Neto the widely-supported Popular Movement for the Liberation of Angola (MPLA).

Though not a declaration of total unity the document shows sufficient agreement for the two movements to go together to the conference with the Portuguese.

What is needed now is a similar agreement with the National Front for the Liberation of Angola (FNLA) led by Mr Holden Roberto, who is believed to be in Zaire.

Before leaving Angola today, Dr Savimbi told me that he and Dr Neto would be attempting to get in touch with Mr Roberto as soon as they reached Lusaka. Dr Savimbi took me to one of his secret base camps in the Angolan bush. About 1,500 heavily armed troops, including several women, were on parade. He said he believed that a transitional government comprising three members from each movement and headed by a Portuguese high commissioner would be in power in Angola before the end of the year.

This, he said, should stay in power for a year to give time for preparations for a general election and full independence.

Advertisement for TIO PEPE THE other sherry. It features several bottles of sherry with labels like 'CARALLERO SHERRY', 'LA CONCHA SHERRY', and 'GONZALEZ BYASS'. The text includes 'US firm in deal for Soviet music rights' and 'Delhi test for Bhutan's monarch'.

Advertisement for GENERAL MANAGER-PROPERTY. It describes a prominent property company in Lagos seeking a General Manager. It lists requirements like a Board Director position, experience in overseas property, and a salary of 30/40 years. Contact info: P. O. Box 4244 Lagos.

UN to increase its pay bill by £11m. From Our Own Correspondent New York, Dec 19 The United Nations General Assembly has agreed to a 6 per cent pay increase for the 19,000 employees of the world body.

The decision was taken at the Assembly's closing session last night, in spite of opposition from the Americans, Russians, French and Italians.

The Americans said that the increase would put United Nations salaries well above those of civil servants. Britain, West Germany and Japan voted for the increase, as did most of the developing countries.

The increase was adopted by 90 votes to 21, with 20 abstentions. It will cost a total of \$26m (£11.3m) a year.

Delhi test for Bhutan's monarch

From Michael Hornsby Delhi, Dec 19 King Jigme Singye Wangchuck, aged 19, the ruler of the remote Himalayan kingdom of Bhutan, is on a four-day visit to Delhi amid reports of strain in relations with his giant Indian neighbour.

In spite of the formal protestations of friendship which marked the arrival ceremony here yesterday, Mrs Indira Gandhi, the Indian Prime Minister, is expected privately to make known to the young monarch her concern over anti-Indian sentiment in Bhutan.

Apart from Mrs Gandhi, the King is also holding talks with the Ministers for External Affairs, Defence, Planning, Energy and Industry. He is accompanied by his Foreign Minister, Mr Dawa Tshering, and by his sister, Princess Ashi Dechen.

India is always sensitive about its relations with the strategically situated Himalayan kingdom, and is especially so at present because of the unfavourable international

reaction to its virtual annexation of Sikkim last September. The Sikkim developments provoked a wave of anti-Indian demonstrations in Nepal, and while there was no public reaction in Thimpu, the Bhutanese capital, it is certain that the royal family, which is related to the Chogyal of Sikkim, was most unhappy.

The King and his advisers are known to favour a reduction of Bhutan's heavy dependence on India, which has provided more than 90 per cent of the funds for Bhutan's economic development and exercises a large measure of control over the kingdom's affairs.

Among other things, the King and his Foreign Minister have both argued that the Indian guidance, which under the treaty of 1949 they are obliged to take into account in the conduct of Bhutan's foreign policy, should not be regarded as binding.

More recently, Bhutan is reported to have upset the Indians with a proposal for the opening of offices abroad—in London, Paris, Bonn and New York—

with authority to issue tourist visas. India apparently sees this as a covert manoeuvre to expand Bhutan's diplomatic representation, which at present is limited to Delhi, Decca and the United Nations. This, it is felt, would weaken India's influence.

There are also reports that Bhutan is cutting back on the number of Indian officials inducted into the small kingdom's administration by not renewing their contracts when they expire.

Indian sources here insist that this is a natural process as more Bhutanese become qualified to take over from Indian recruits but there is no doubt that the large number of Indians in senior positions in Bhutan is a cause of resentment.

For India, Bhutan is a potentially much more worrying problem than Sikkim, whose separate status was never very sharply defined. Although in fact a protectorate of India, Bhutan is de jure a fully sovereign member of the United Nations.

OVERSEAS

S Africa considers whether to stay in the United Nations

From Our Correspondent Johannesburg, Dec 19 South Africa has reacted angrily and bitterly to the latest resolution on South-West Africa of the United Nations Security Council and has stated that its continued membership of the world body, which it helped to found in 1945, is being considered.

Japanese report attacks trade with Namibia

From Peter Hazelhurst Tokyo, Dec 19 The recent decision by the United Nations asking South Africa to withdraw from the trust territory of Namibia (South-West Africa) placed the Japanese Government in an acute dilemma in Parliament today.

Cypriot leaders discuss peace talks resumption

From Our Correspondent Nicosia, Dec 19 Mr Rauf Denkash, the Turkish Cypriot leader, conferred with Mr Glafkos Clerides, the Greek Cypriot president of the House of Representatives, here today to consider the resumption of the interrupted peace talks.

Argentina talks of taking Falklands by force

By Stuart Stirling A campaign is gathering momentum in Argentina's press for an invasion of the Falkland Islands, which have been under British occupation since 1833.

Man shot dead in police car escape attempt

Douglasville, Georgia, Dec 18. —A man charged with six murders and suspected of killing several others was today shot dead by police, who said he tried to escape.

Man shot dead in police car escape attempt

off the islands, the Falklands issue will become more problematic for both the British and Argentine governments. No new oil reserves have been discovered in Argentina in the last five years and existing reserves will run out within 11 years.

Turning a Welsh valley into a utopia for bookworms



In the haunted magical country of the Welsh borders one quickly becomes accustomed to the unexpected. But there is still something slightly unreal about Hay-on-Wye, a tiny market town in the shadow of the Black Mountains; 10 years ago all but moribund, it has since found economic salvation in, of all things, second-hand books.

methods, compared with the "antiquarianism" that traditionally permeates the trade. He has harsh words, too, for the average university library which, he feels, is "moving towards a position of maximum inefficiency. Once a book gets put in the wrong place it might as well be lost."

Bonds of affection for the future

interest from a National Savings Bank account, are completely free from income tax. In calculating the odds against winning a prize of the lowest of which is £25 from ERNIE, one can start with the fact that the chances of a single bond winning any prize in each monthly draw are about 10,570 to one against.

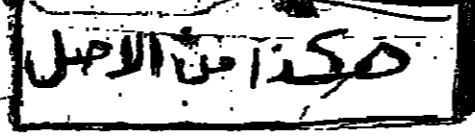
Step-by-step recipe book for the diffident cook

Robert Carrier, one of the world's better known cooks, says that one of his favourite dishes is perfectly cooked bacon and egg. Although he has written several elaborate and excellent cookery books over the years, his latest one is remarkable because it caters for the beginner. Nothing is too much trouble and everything is explained step by step.

ENTERTAINMENTS

Opera and Ballet, Theatres, Concerts, and various entertainment listings including Covent Garden, English National Opera, and various theatres like the Old Vic and the Royal Opera House.

Advertisement for 'The Freeway' at the National Theatre at the Old Vic, featuring Buster Keaton in 'The Saphead'.



SPORT

Rugby Union

Three out of final England trial

By Peter West

Peter Rossborough, full back in the England XV, and Geoffrey Evans and Alan Wordsworth, centre and stand-off half for the Rest, have all been withdrawn from the final trial at Twickenham tomorrow...



Neil Bennett (left) and Andy Maxwell, who join the Rest XV as replacements.

The places of Evans and Wordsworth will be taken by Andy Maxwell, of New Brighton, who had a forceful match in the area trial at Twickenham last week and Neil Bennett, of Bedford, who lost his place in the England Under-23 team to Wordsworth, for the match against the Tompans...

quality who has suddenly become available again. But they can scarcely contemplate leaving out Codd, whose goal kicking is such an important asset, and they must be well satisfied with their two centres, Friell and Birckett...

Northampton have made four changes for their game with the Wasps on Saturday. Returning to the side are: Arpell, the Scottish flanker, who has recovered from an operation on his nose...

In Wales with the Polytechnic Harriers. Bristol also bring in their other Varsity man, Alan Hignell, who will be playing in his Cambridge position at full back. He has also taken over Pearn's goal-kicking duties...

Bennett relegated to the Welsh Possibles team

By Peter West

Phil Bennett, the British Lions stand-off half, has been relegated to the less fancied side for the final Welsh trial, between Probables and Possibles, in Cardiff on January 4...

Wales played three Pontypool forwards against New Zealand—the hooker, Windsor, the loosehead prop Faulkner, and the flanker Cobner. The senior pack in the trial is now provided with a fourth member from the Pontypool forwards, the selectors having brought in Price at tight head to make it an all-Pontypool front row...

PROBABLES: J. P. Williams (London Welsh); T. G. R. Davies (Cardiff); S. P. Fenwick (Bridgend); R. T. E. Benners (Llanelli); J. J. Williams (Llanelli); J. Bevan (Aberavon); G. O. Edwards (Cardiff); A. G. Faulkner (Pontypool); R. W. Windsor (Pontypool); G. Price (Pontypool); A. J. Martin (Aberavon); C. G. Jones (Swansea); T. J. Cobner (Pontypool); T. M. Davies (Swansea); captain, T. P. Evans (Swansea); POSSIBLES: W. R. Blyth (Swansea); C. F. W. W. Gravelle (Llanelli); P. Evans (Cardiff, first half); N. Edwards (Newport, second half); J. Jones (Newport); B. Clegg (Swansea); T. P. David (Llanelli); D. L. Quinell (Llanelli); J. Taylor (London Welsh).

Show jumping

Smith considering action over 'loss of livelihood'

By Pamela Macgregor-Morris

David Broome, who won the St Nicholas Stakes at the Dunhill International Show at Olympia on Wednesday night with Sportsman yesterday, has been told that he is being considered for a place in the show's show jumping competition...

On Wednesday night the German horses, who arrived only 15 minutes before the St Nicholas Stakes was due to start, hardly surprised by failing to make their mark. On the grey Hanoverian, Erla Hartwig, the reigning world champion, had a fence down, and Alwin Schockemöle followed suit with Warwick, who fell the second time...

Squash rackets

Electric hare who is here, there and everywhere

By Rex Bellamy

Squash Rackets Correspondent For the fourth time in five seasons the British and Pakistani rackets champion will be a Pakistani. Mobibullah Khan and Qamar Zaman, who always looked a class above the rest of the field, predictably beat their British opponents in the semi-final round at Wembley last evening...

This was a connoisseur's match, rich in all kinds of spectacular variation. The same could not be said of the match in which Zaman beat Verov. There was never much hope here of a genuine challenge. The bland, dourly moustached Zaman with his air of solemn sympathy for the awful things he was doing to Verov, was always the man in charge. He sometimes carried his versatility beyond the bounds of discretion. But he could afford to.

Exchange of tours Bombay, Dec 19.—The Indian Cricket Board of Control has suggested that India and Pakistan should exchange tours late next year, playing about five weeks in each country...

Book reviews

The view from the eye in one's right knee cap

As usual, this winter I braced myself to withstand the minor avalanches of books on the Christmas market, but it has turned out to be only a trickle, in contrast to previous years. It has been necessary to go back to the shelves of my library, published earlier this year, to find the season's outstanding work...

forward of its address position, the right knee cap should sit pretty much in the middle of the ball through impact. The knee will swing round to face the target after impact, as the momentum of the through-swing pulls your right heel up. But if your right knee swings around too soon, it can easily pull your right side forward over the shot...

legs and thighs for his power, but he admits that a man with especially strong hands and forearms might have to develop different techniques. Even the reader who has had his fill of technique will want to stay with the book because the man whose mind we are inside is the greatest contemporary golfer, talking in great detail of trouble to put his ideas across. In the process a good deal comes through about the man himself, and this is probably the book's most lasting quality. It provides an insight into the psychological makeup of a champion.

who might have been in the super star class if only they could have kept their strong hands better by learning to live with "the rob of the green". He is sensitive of criticism that he plays too slow, but thinks it no longer applies to him. He has always walked fast between shots, and if people feel he is too deliberate over setting up the shot, he thinks this aspect of play vital to success. A more recent publication is the latest annual version of the Piccadilly World of Golf 1974-75 (Wayland Publications, £2.95), an extremely dependable mixture of articles and action pictures, while for the George Houghton addicts there is a collection of unusual items gathered over half a century. Believe It Or Not—That's Golf (London, 3/6). The year 1974 may not have been the greatest for golf books, but it has produced the most baffling. About Golf in the Kingdom, by Michael Murphy (Lutterworth Dimensions, £2.95) the reader must form his own opinion. I cannot make up my mind whether it is nonsense or not.

Peter Ryde

Cricket

Edrich could be back in action at Adelaide

From John Woodcock Cricket Correspondent Adelaide, Dec 19

Denis Lindsay and John Edrich (so long as he comes through the net practice tomorrow) will both return to the MCC side for their match against South Australia starting here on Saturday. Cowdrey is given another chance to get his feet, and Dennis and Fletcher to get some runs. When announcing the side Alec Boddie, the manager, made a point of saying that everyone was playing in the net at Melbourne, where the third Test match starts on Boxing Day. This includes, of course, Dennis, who is not immune from being dropped simply because he is captain, but who has been more fallible in the series so far than Fletcher or Luckhurst. Enough of what has been written in the English press since England's defeat in Perth was repeated in Melbourne, and Australian papers, for Dennis to know that he is being gunned for again.

If Edrich does not play on Saturday he will never certainly be out of the next two Test matches: the fourth in Sydney follows almost immediately upon the third. If Edrich does play on Saturday, Luckhurst, the most likely of the batsmen not to make the Test side, will stand down, leaving space for either Cowdrey to open with Amis.

The 12 for the game against South Australia are: D. L. Amis, captain; Lindsay; Edrich; M. C. Cowdrey; K. W. R. Fletcher; M. H. Dennis; C. M. Old; F. J. Titmus; R. G. Taylor; D. L. Underwood; M. J. Hendrick; P. Lever.

Australian tour goes on despite critics

Sydney, Dec 19.—The Australian Cricket Board of Control has no plans to cancel a proposed tour of South Africa in 1975, despite Advertiser Government opposition.

Mr Alan Barnard, chairman of the board, refused to comment today on a statement opposing the tour from Dr James Cairns, the secretary of the Minister. "The Government" remains opposed to Australian sporting teams playing teams from other countries selected "racially", he stated. "The Government will definitely oppose the tour."

Mr Barnes told Reuters the question of the tour was between the Australian Cricket Board of Control and the South African Cricket Association. "I have had no indication from the board that the tour is to be scrapped," he added.

Robins invites four Test Australians

Derrick Robins, the Midlands Industrialist, has invited four of the Australian Test side to tour South Africa this winter. They are the capped bowlers, the wicket-keeper, Marsh, and the new fast bowling sensation, Jeff Thomson, along with the West Indians, Shepherd and Greenidge, and Yونس Ahmed, of Pakistan.

Rackets Tidall's power decides fine match

By Our Rackets Correspondent

H. R. Murray-Phillips (Eton) and D. K. T. Watson (Marlborough) will meet R. M. Tindall (Harrow) in the semi-final of the school's rackets club division of the schools' rackets competition at the second round today. The second seed, P. J. Rosser (Malvern), was beaten by Tindall yesterday. Rosser's game was intelligent but he was out of form. Tindall had the reserves even after a gruelling first game and the disappointment of losing it to hit his way through in the next two. Rosser's game was intelligent but he was out of form. Tindall had the reserves even after a gruelling first game and the disappointment of losing it to hit his way through in the next two.

Table tennis Japan to send team to world championships

Tokyo, Dec 19.—Japan will send a 10-member team to the championship table tennis championships to be held in Calcutta next February.

The Japan Table Tennis Association said today that the team included the men's national champion, Katsuyuki Abe, this year's women's singles champion, Sachiko Yokota, and the veteran player Yukio Ozeki.

Ice hockey NATIONAL LEAGUE: New York Rangers v Minnesota North Stars

NEW YORK, Dec 19.—The New York Rangers defeated the Minnesota North Stars 3-1 in a National Hockey League game here tonight. The Rangers scored twice in the first period, while the Stars scored once in the second period.

Football

Wycombe bring new Continental angle to an old English slope

By Gerry Harrison

As a variety of drama, romance and a slice or two of make-believe played out on stages dotted round England and Scotland last production some startling football productions. There are no first division clubs in the League Cup, and the second division clubs are the only ones who can play in it.

Another League club succumbed to a non-League side in the FA Cup. The immediate reaction of the victor was that he had "no chance" in the next round. And a 27-year-old ex-captain himself in England's under-23 side, Wycombe, was a fiction with football around?

Chester's feat of eliminating first division Newcastle in their quarter-final round replay was, according to the manager, Ken Roberts, "A triumph of character". Certainly for most of the game they played second fiddle to Newcastle, whose football was full of determination and first principles, like right marking, hard tackling, and last to the ball's a fairy. But without the injured Tudor, their finishing was not good.

As Chester battled away in front of a crowd of 15,000 at Sealand Road, rarely showing the quality football which disposed of Leeds, the bidding after levelled by John James, however, Chester's leading scorer, changed all that with the only goal in the 87th minute. James, or "Jessie" as they inevitably call him, was a £4,000 investment from Port Vale, a fee which has already been recouped in this amazing cup run of theirs. They now meet Aston Villa in

their semi-final new match. A grim Joe Harvey, Newcastle's manager, said of Chester afterwards: "I didn't rate them at all, except their goalkeeper. Chester were a kick and rush side." A degree of accuracy getting the better of a touch of graciousness. Brian Green, Chester's coach and the driving force behind their purple patch, countered with: "I could say what does that make Newcastle? But I thought they did everything right and worked very hard. The only difference was we scored and they didn't."

Meanwhile, 35 miles up the Chester road Manchester United were beating Middlesbrough 3-0 in the FA Cup. For most of the game the assistance of a touch of most of the 49,527 crowd, United struggled to exploit a home advantage. Then two defensive mistakes opened the gates and from then on they looked confident and content. Norwich City are their opponents in the semi-final, and their manager, John Bond, who watched the replay, said yesterday: "I feel we have a much better chance of getting to Wembley against Manchester United than against Middlesbrough. We have beaten United once this season, and I have the sort of players who will respond to the atmosphere of Old Trafford. I am confident."

Brian Lee, the director of the Bisham Abbey Sports Centre, and the manager of Wycombe Wanderers, is also confident—confident that his Lutonian League side have "no chance" against Middlesbrough in the third round of the FA Cup in January. In their replay with Bournemouth, Wycombe exploited the fact that

Bournemouth were without the injured goalkeeper, Charlie throughout the second half while they had a forward, Wingate, goal. Goals from an estate age and a schoolteacher put the through into the third round, for the first time.

Now they have the advantage of their sloping pitch again Middlesbrough, but there we no brash boasts from Mr Lee. "Middlesbrough are a much better side than us, with a better record. We've had a chance." Or is this the subtle approach, used by Continental managers in the good old days of England's under-23 side, which will rock Middlesbrough and football.

Finally, an unlikely story if there was one, Phil Boyer, a 27-year-old Norwich forward, had an outstanding game in the FA Cup. Norwich City are their opponents in the semi-final, and their manager, John Bond, who watched the replay, said yesterday: "I feel we have a much better chance of getting to Wembley against Manchester United than against Middlesbrough. We have beaten United once this season, and I have the sort of players who will respond to the atmosphere of Old Trafford. I am confident."

The fee of £145,000 seemed excessive to some at the time but in the light of Don Revie comments about him after a game, there could be some justification. "Bayer is an exceptional and very exciting display," Mr Revie said. "could be an important one."

No agreement on bonuses

Top football officials from the four home countries deferred a decision on bonus payments for players after they failed to agree at a meeting in Glasgow yesterday.

The English FA has provisionally approved Don Revie's plan to pay England players £100 for a draw and £200 for a win. But representatives from the four home countries were deadlocked on the plan. Willie Allan, the secretary of the Scottish FA, said: "It has been decided to carry the matter over to a meeting of the four associations in March next year."

The associations did agree that the Northern Ireland-Wales match could be staged on a Friday night for the first time as an experiment.

Tennis

Over the hill and not so far away

Sydney, Dec 19.—John Newcombe and Ken Rosewall, the top two seeds, were beaten in the quarter-final round of the New South Wales Open tennis tournament here today and Newcombe, for one, said he was happy to go. "I was out of form," he said, "and I was a little bit out of sync. I'm glad I'm out in a way. I need some mental stimulation. Newcombe said: "I feel like a draught horse being flogged to win a six-furlong race."

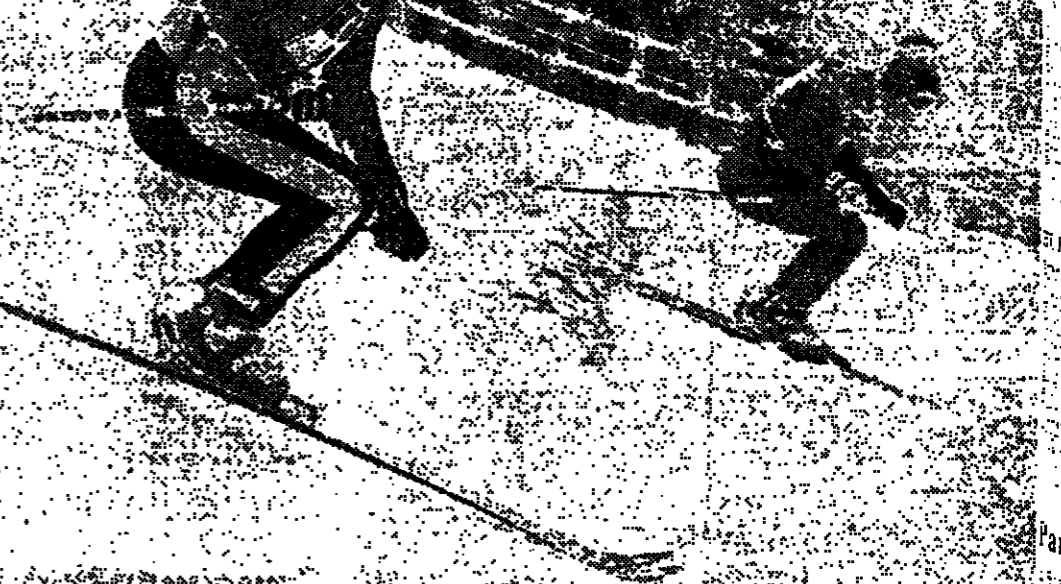
He left the stadium immediately after the match, bound for a steep hill in his home town, where he has been conditioning to shed excess weight. The defeat capped a bad year for Newcombe, who lost his semi-final round of the Masters tournament last week and said he was not in shape. Injuries

have played a large part in his recent failures, but he was eliminated from the Wimbledon and United States Open tournaments this year. "I don't feel like a draught horse," he said. "I feel like a champion who has a looking forward to another shot."

It could come at the forthcoming Australian Open, where they are in the same half of the draw. "Someone's got to bump him and I think I can do it," he said.

ROSEWALL'S SINGLES: Quarter-final: Rosewall beat J. Newcombe 6-2, 6-2, 6-2. Semi-final: Rosewall beat G. O. McPherson 6-2, 6-2, 6-2. Final: Rosewall beat G. O. McPherson 6-2, 6-2, 6-2.

WOMEN'S SINGLES: Quarter-final: Rosewall beat K. Rosewall 6-2, 6-2, 6-2. Semi-final: Rosewall beat G. O. McPherson 6-2, 6-2, 6-2. Final: Rosewall beat G. O. McPherson 6-2, 6-2, 6-2.



Christa Zechmeister (foreground) competing with Anne-Marie Möser in yesterday's final.

Mrs Moser has no parallel in Austria

Saalbach, Dec 19.—Annemarie Moser, voted sports personality of the year by the Austrian press today, celebrated with a commanding victory in a special knockout competition here. She outdistanced West Germany's Christa Zechmeister in the final of a 16-woman contest over a mixed discipline course—the first event of its type in Europe.

The powerful Austrian girl, winner of the World Cup for the past four seasons, called on all her slalom and downhill skills to beat Miss Zechmeister, who dominated international slalom competitions last year. In each round of the contest, which began yesterday and did not count for the World Cup, two girls raced against each other twice and the overall winner advanced to the next round.

In the final the West German fell in the first round, giving Mrs Moser a simple victory, but she had a hard struggle to beat another West German, Rosi Mittermaier, at the semi-final stage. Miss Mittermaier was placed third and Fabienne Serrat, of France, fourth after a race-off between the two losing semi-finalists.

The event, called a "parall slalom" was a trial for a six competition in March at Gros Italy, which will have World status. The top women slalom in Saalbach for a World Cup do hill race on Saturday, for Mrs Moser, who won the last do hill at Cortina, Italy, last week clear favourite.

PARALLEL SLALOM: 1. A. Moser (Austria); 2. C. Zechmeister (Austria); 3. R. Mittermaier (Germany); 4. F. Serrat (France); 5. W. Luchtenjohann (Austria); 6. M. Serrat (France); 7. B. K. Moser (Austria); 8. W. Serrat (Austria); 9. M. Serrat (Austria); 10. M. Serrat (Austria).

Boxing

Wood drops a weight against Attivor

Tim Wood, of Leicester, who had 12 contests as a heavyweight, dropped a division to meet Victor Attivor, of Ghana, at the Albany Hotel, Nottingham, on January 13. Wood, whose highest fighting weight was 18st 1lb, is doing so to help his manager, Johnny Griffin, declares that he has not shed any strength in the process. Wood's opponent, Attivor, is a division to meet Victor Attivor, of Ghana, at the Albany Hotel, Nottingham, on January 13.

Snow reports

Table with columns: SWITZERLAND, Depth, U, W, Weather. Rows include Adelboden, Arosa, Davos, Garmisch, etc.

SCOTLAND: Cairngorm: Main and lower slopes now free of snow. Cairngorm: Main and lower slopes now free of snow. Cairngorm: Main and lower slopes now free of snow.

PARLIAMENT, December 19, 1974

Shrewsbury building pickets not to be freed from jail

House of Commons MR ALLAN (Salford, East, Lab) asked the Home Secretary...

change to be made in this session— it is conceivable in the next session...

home to their wives and families by Christmas? (Labour cheers and Conservative protests.)

MR JENKINS—There is clearly a difference of view on the Government's stance on this issue...

welcome his assurance to review the law of conspiracy. At the same time, there are many Labour MPs...

Thorny issue of MPs' pay to go to Boyle committee: link with civil servants suggested

MR SHORT, Lord President of the Council (Newcastle upon Tyne, Cent, Lab), said in a statement...

Next I referred to the Government's belief in the need to strengthen our parliamentary democracy...

given to facilities for MPs to chat to money.

Rule of law

MR LAWSON (Blaby, C)—Will the Home Secretary accept the congratulations of almost the whole of this House for upholding the rule of law...

Will he confirm that any proposals he might subsequently bring forward for the amendment of the Act will not be applied retrospectively?

I believe the great majority of the people outside believe in the rule of law. (Conservative cheers.)

MR SPRIGGS (St. Helens, Lab)—I am not asking him to rejudge this case. My question relates to the cause of the affray.

Equality MR EVELYN KING (South Dorset, C)—However compassionate one may want to be towards the police, it is a fact that they are trade unionists...

The Review Body (he said) will also be invited this time to make recommendations on Peers' expenses allowances.

Also in my statement in July I told the House that I would bring forward the autumn Bill providing for the revision of financial assistance to opposition parties in the House...

MR OGDEN—Ask my wife, Mrs. OGDEN, some questions about the salaries review body...

Two sent to Ulster under exclusion orders: alleged assault being investigated

MR BIDWELL (Ealing, South, Lab) asked the Home Secretary to give figures and other possible details on the United Kingdom of Northern Ireland...

they see the adjudicator, and the time he takes his final decision?

MR CORBETT (Hemel Hempstead, Lab)—Has he seen the disturbing report in The Guardian today alleging physical assault by warders on six people held in Wing 11 at the Maze Prison...

MR THORPE (North Devon, L) asked: In dealing with scarce resources, while we welcome the conservation measures on oil announced by the Government...

MR JENKINS—I saw The Guardian report. There is already an investigation being conducted by the police by an expert chief constable of another authority...

MR EVELYN KING (South Dorset, C)—I am grateful for the first part of that, and no one is to be blamed for the problems, but MPs have not had an increase for longer than almost any member of the community...

MR TUGENDHAT (Cities London and Westminster, S, C)—The Government should encourage self-denying ordinance ministers. It would be an absurdity if a minister were paid less than the head of a nationalised industry...

MR SHORT—The matter is pressing for MPs than for others, but it will be looked at.

Two-tier price for petrol being examined

During questions to the Prime Minister concerning a social contract which would include conservation of scarce resources, collection and recycling of waste materials and investment in a national effort to combat the inflation...

MR CORBETT (Hemel Hempstead, Lab)—Has he seen the disturbing report in The Guardian today alleging physical assault by warders on six people held in Wing 11 at the Maze Prison...

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Surveys arranged on induction of childbirth

SIR GEOFFREY HOWE (East Surrey, C) asked what representations the Secretary of State for Social Services had received about the induction of childbirth for the sake of convenience...

MR TUGENDHAT (Cities London and Westminster, S, C)—The Government should encourage self-denying ordinance ministers. It would be an absurdity if a minister were paid less than the head of a nationalised industry...

MR SHORT—The matter is pressing for MPs than for others, but it will be looked at.

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Full payments to Unesco

MR ARNOLD SHAW (Redbridge, Ilford, South, Lab) asked the Minister of Overseas Development, Mr. Ingham with other western countries and while the resolutions remained in force, she will withdraw or reduce the United Kingdom's budgetary allocation to Unesco in view of that body's recent decision to demand a contribution...

MR CORBETT (Hemel Hempstead, Lab)—Has he seen the disturbing report in The Guardian today alleging physical assault by warders on six people held in Wing 11 at the Maze Prison...

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Parliamentary Notices

House of Commons Today at 11.00: Adjournment for the Christmas recess until Monday, January 15.

Eradication of smallpox

MR JOHN CUNNINGHAM (Whitehaven, Lab) asked the Secretary of State for Social Services, whether the Government had responded to the recent appeal by the Director General of the World Health Organization for additional contributions by member states towards the final phase of the WHO's smallpox eradication campaign.

Resolution

MR JAY (Wandsworth, Battersea, North, Lab) said Britain was paying more for a number of main food imports than she needed, but the folly was that whenever the cost of a given commodity at a given moment, it must be in the national interest to remain in the power to import as cheaply as possible any commodity at any time in the unpredictable future.

Pyramid selling

MR LEE (Birmingham, Handsworth, Lab) said some time ago one or more organizations decided to indulge in an extensive sales drive by means of pyramid selling. The method used was to employ a number of people with employment descriptions, like 'sales representative', and so forth, for the purpose of licensing other individuals to sell low quality goods.

Membership of EEC means cheaper food

MR RIPPON (Ezham, C), opening a debate on developments in the European Communities, said that the basic objective of the Community was to create a strong European Community which was essential for Britain's prosperity and political stability.

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House of Lords The Discretionary Courts (Scotland) Bill was considered on report. On Clause 1, an amendment which would enable a future Secretary of State to subordinate the Bill and to the lay magistracy.

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Holiday Magic and Golden Chemicals name front parlour sales of cosmetics 'trash'

On the motion for the Christmas recess, MR KILROY-SILK (Ormskirk, Lab) said he was not the appropriate time to raise when they considered the house building figures published last week. The figures showed that in the third quarter of this year, compared with the same period the previous year, there was a drop of 51 per cent in private house building.

MR STRANBROOK (Bromley, Orpington, C) said the House should not go into recess until they had dealt with the problem of providing a system of compensation for those suffering losses through terrorist activities. About 25 bomb explosions had occurred in Britain since the first at the Old Bailey in March, 1973, resulting in many deaths, injuries and hundreds of thousands of pounds worth of damage.

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Taxing assigned rights

MR JEREMY BRAY (Motherwell and Wishaw, Lab) asked the Chancellor of the Exchequer to make a statement on the light of the decision of the High Court in the case of Inland Revenue Commissioners v. Montgomery.

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هكذا من الأصل



Mr Murray Fox, the Lord Mayor of London, with Mr Gough Whitlam, the Prime Minister of Australia, his guest of honour at a luncheon at Mansion House yesterday.

Mr Whitlam explains Australia's new role

By Our Diplomatic Correspondent
Mr Gough Whitlam, the Australian Prime Minister, who is in London for talks with Mr Wilson as part of his European tour, said yesterday that Australia had "grown up".

Law Report December 19 1974 Court of Appeal
'Conduct' and sharing of family assets

Jones v Jones
Before Lord Justice Megaw, Lord Justice Orr and Mr Justice Lately
Judgments delivered Dec 17
A former wife successfully appealed against an order that her husband, now in prison, should transfer to her his interest in the matrimonial home, purchased in joint names in 1966, but that she should pay one-fifth of the equity of the house on her death, on the sale of the house, or when the youngest child ceased to be dependent on her. The Court of Appeal held that the whole of the beneficial interest in the house should be transferred to her.

Incentive scheme end-payments taxable

Brumby (Inspector of Taxes) v Milner
Day (Inspector of Taxes) v Quick
Where a company for commercial reasons terminates a profit sharing scheme for employees, and the trustees of the scheme in winding it up made payments to employees increasing in proportion to the service but not calculated in accordance with their level of remuneration, the sums so received by the employees were held to be taxable under Schedule E.

Club membership appeal

Fletcher v London (Metropolis) Licensing Planning Committee
The Appeal Committee of the House of Lords (Lord Wilberforce, Viscount Dilhorne and Lord Salmon) gave leave to Mr James Stephen Grant Fletcher (on behalf of Rank Leisure Services Ltd, owners of the Top Rank Club) to appeal from the decision of the Court of Appeal (The Times, Dec 12, 1974) in which the licensing planning committee had been entitled, in considering whether to grant the club a certificate of non-objection to the grant of a justices' licence, to have regard to the length of time which the club required to elapse before the person's applying for membership of the club and his becoming a member.

Consent to deferment of sentence

Regina v McQuaide
The Court of Appeal (Lord Justice Lawton, Mr Justice Mocatta and Mr Justice Cantley) stressed that all Crown Courts had to exercise great care when purporting to defer sentence under section 1(1) of the Powers of Criminal Courts Act, 1973. Particular emphasis was placed on the need to obtain the offender's consent to deferment. Further, cases coming before the Lordships' court seem to indicate that the statutory purposes for deferring sentences were being overlooked in many cases.

Declarations prejudicial

Architectural and Planning Partnership (a firm) v Kruger Lord Denning, in the Court of Appeal, said that the defendant in his counterclaim had claimed a declaration that he was entitled to an indemnity from the plaintiff architects in respect of any liability which might be under to a neighbour over withdrawal of support. The counterclaim was necessary to protect the position in view of the running of the Statute Limitation Act, 1969. The counterclaim could not be satisfactorily decided without the presence of the neighbour.

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COMPANY NOTICES
CONTRACTS & TENDERS
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EGYPTIAN PUBLIC AUTHORITY FOR ECONOMIC DEVELOPMENT

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FOR SALE WELL ESTABLISHED PLASTIC COMPANY
Specialising in fittings and pipework for industry—sewage and water—Large stocks. CASH OFFERS ONLY

CONTRACTS AND TENDERS
PRE-REGISTRATION FOR INTERNATIONAL COMPETITIVE BIDDING ON FURNITURE AND INSTRUMENTAL EQUIPMENT FOR THE TRAINING FOR SELF-RELIANCE PROJECT (GOVERNMENT OF LESOTHO)

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PRE-REGISTRATION FOR INTERNATIONAL COMPETITIVE BIDDING ON FURNITURE AND INSTRUMENTAL EQUIPMENT FOR THE TRAINING FOR SELF-RELIANCE PROJECT (GOVERNMENT OF LESOTHO)

INVITATION TO TENDER
OVERHEAD CHAIN CONVEYOR ENTERPRISE
CONVEYOR ENTERPRISE
In connection with the extension of the CENTRAL SORTING OFFICE

EDUCATIONAL SCHOLARSHIPS AND FELLOWSHIPS
CHETHAM'S
Chetham's Hospital School of Music
Manchester, M3 1SB

EDUCATIONAL SCHOLARSHIPS AND FELLOWSHIPS
CHETHAM'S
Chetham's Hospital School of Music
Manchester, M3 1SB

HIGH & DRY
Really dry gin
I'm bringing Charles a pair of 18th century gold-lined Spanish duelling pistols from his Aunt Muriel.
I thought she always gave him a bottle of High & Dry?
Not this year.
Poor old Charles.



Difficulties and delights of giving up the rat-race

As the world food crisis follows hard on the world energy crisis, people in countries like Britain are increasingly questioning their own "lifestyle," devoted so largely to earning more, owning more, consuming more.

Is a second house, car or television, those endless gadgets and processed foods, really something to be proud of, or—while others starve in ever closer proximity as the world shrinks—something to be ashamed of?

To drop out of mammon's world, to begin to find one's roots again in nature and community, to strike a better balance between the real resources we consume (especially food and energy) and those we produce; these are the reasons why more people are abandoning the commuter rat-race for rural communes in Britain and elsewhere.

One such inhabitant is a stone farm house built 200 years ago with two rooms up and two down, which now carries on its back—built by the residents and volunteer helpers to the best ecological principles over the past two years—a big timber extension providing eight more bedrooms, four bathrooms, two sun-lounges, and a workshop.

Nine people live there: a middle-aged industrial chemist and his wife; a young town-planner and his wife; a former small-holder/merchant seaman, his wife and three-year-old daughter; a young teacher; and a former timber merchant.

There is also a constant stream of visitors, some who come to satisfy their curiosity, some to help with the work.

The original house and 42-acre farm was bought for £10,000 two years ago jointly by the chemist and a journalist who thought up the scheme and played a key part until his recent departure. Another £11,000 has been spent since, mostly provided by the same pair. But each member has a share in the capital value of the project, related to their original contribution, increased value arising from inflation, and increased value arising from improvements.

All work together: on the farm; on construction of buildings and fittings; on the ecological components that gave the commune its high-flown title of Biotechnic Research and Development (BRAD). They already have a solar pump that provides hot water for much of the year, a windmill that pumps water from the well, and heavy insulation and double-glazing to cut down heat-loss and energy consumption. They are building a heat-pump for winter hot water, and are working on a methane or methanol digester that will draw energy from domestic and farm sewage.

The farm supplies the residents (and could eventually feed several more they think) with practically all their vegetables and most of their meat and dairy produce. It consists of a half-acre vegetable garden, other vegetable, potato, and arable crops, pasture, about 100 cocks, hens, and chickens, 50 sheep, three cows, three pigs, two goats, and assorted geese, ducks, and rabbits. Running the farm on organic, labour-intensive lines makes up the greater part of the daily

Spartan way of life

It is spartan because they live and eat simply, with few of the appurtenances of normal society. There is no television, radio, or newspapers, little in the way of new clothes and synthetic entertainments. The heat is turned down to save fuel ("we wear an extra pullover") and the furnishings are primitive. But it is fruitful because they are growing things, and growing themselves. The way in human relationships, which is not only permitted but compelled is the most important thing happening at BRAD, they say.

BRAD is not viable in the accepted sense of the word. Annual expenditure is over £3,000, and income only about £1,500, supplied largely by the rent from one member's Paris flat. The gap should narrow as farm production grows but there will always be a gap, and how best to plug it is a constant preoccupation. One man offered to work full time and get a job at £2,000 a year but the others refused to let him take it. A short spell on the oil rigs for the younger men has been considered. Meanwhile they do farmwork, and building and decorating jobs. They do not doubt that a solution will be found, and that the commune will continue (the constant flow of visitors, which interferes both with work and relationships, is a greater threat than lack of money).

Yet there is surely a deeper sense in which a venture like BRAD is more viable than many with a fat bank balance in mainstream life outside. The people there are nearly self-sufficient in food, and have cut their consumption of energy and other resources to about a third of the average for Britain.

This is a real contribution to the needs of the times, if only as an example to others. And in making it they seem also, not without struggle and hardship, to be making a kind of love.

Michael Bailly

Military détente in Europe: Thinking beyond the numbers game

In his article on military détente in central Europe, published in yesterday's *Times*, Mr Vladimir Komlev discussed the negotiations on force reductions and associated measures, at present being conducted in Vienna between Nato and Warsaw Pact countries. In one important respect, his article is a useful contribution to the debate about European arms control: he points to the considerable problems inherent in any attempt to agree on mutual limits to the size of military forces between East and West. His analysis is incomplete, in another, more important respect: military détente in Europe is not just a question of the statistics of military forces, it is essentially a political problem.

The statistics of military force in Central Europe—the area defined in the current Vienna negotiations by the territory of Poland, Czechoslovakia, and East Germany (in the east), and that of West Germany, Belgium, the Netherlands and Luxembourg (in the west) reflect a clear numerical superiority of the Warsaw Pact in conventional forces.

	NATO		Warsaw Pact USSR	
	26	43	70	43
Divisions	25	43	70	43
Total manpower (1,000s)	750	180	935	460
Tanks	6,555	2,100	15,500	7,850
Aircraft	1,510	240	2,810	1,250

*excluding French forces stationed in the area.
Source: The Military Balance 1974/75 published by the International Institute for Strategic Studies, London.

'Peace on the cheap' has left South Vietnam on the brink of defeat

The Vietnamese on both sides in their forgotten war have begun taking heavy casualties again, with 6,000 soldiers reported killed, missing or wounded in the last year for the first time for many months. The White House and the State Department have made concerned statements about the situation.

A new analysis by an old military hand in Saigon—Vietnam's Menacing Ceasefire, by Brigadier F. P. Serong—affirms that South Vietnam is now dangerously close to defeat. And it says that unless (which is now unthinkable) the United States floods the South with weapons and ammunition for Saigon to launch its own offensive, "the military prognosis is negative".

Brigadier Serong, who is an Australian with 12 years' experience in Vietnam, is the first senior member of the western military establishment to have been frank enough to spell out the hopelessness of the position South Vietnam is now in.

For almost a year the communists have been militarily capable of launching a limited offensive against selected targets. Brigadier Serong says that Hanoi is now ready to move, and if it did, South Vietnam would face a full-scale offensive with no stockpile of ammunition and no ammunition factory, while resupply from the United States (even if the Americans would provide the money for it) takes ten weeks. South Vietnam's soldiers are spread thinly already. There are no reserves. And the soldiers' morale is eroding, according to Brigadier Serong, partly because they are hungry, as inflation has reduced their salaries to the barest subsistence level, and partly because, with the ceasefire almost two years old, they badly want to stop fighting.

The communists now control virtually half the land (see Brigadier Serong's map). As he says, they initiated major battles only 20 miles from Saigon more than once last summer; they frequently close all major roads into Saigon (except Route 4 from the Delta); communist anti-aircraft equipment reaches to within 100 miles of Saigon, and tactical South Vietnamese aircraft are vulnerable north of Saigon, while civilian aeroplanes too have been brought down in the Delta for infringing the Provisional Revolutionary Government's airspace.

On one detail on communist tactical strength however, Brigadier Serong is wrong—the notorious 12 airstrips created by the communists since the ceasefire are not capable of handling North Vietnam's MIGs. According to American intelligence sources, all except Loc Ninh and Khe Sanh are no more than dirt tracks.

Since the ceasefire inflation running at an annual rate of 70 per cent has not only crippled the big wage earners—soldiers and bureaucrats who were previously the Government's most secure power-base—but also undermined the society by giving a fresh impetus to corruption. Brigadier Serong says flatly that corruption has been brought down in the anti-corruption movement which shook the regime this autumn, causing President Thieu to take the unprecedented steps of dismissing three of his four corps commanders and a clutch of ministers including his right-hand man, the former Inform-

ation Minister, Hoang Duc Nha, was run by a highly conservative policy group only brought on to the streets by utter despair at the blazney of corruption at every level of government.

There is only one long-odds economic hope on the horizon which could conceivably change the political and military equation—all. Pecten Viet-rod, a subsidiary of Shell, has recently found oil off the coast of Vung Tau, east of Saigon, but it is too early to say whether Vietnam's economic disaster could be staved off by income from oil coming in in large enough quantities, and soon enough.

Apart from the 13 oil companies which paid \$45m to take a chance on the possible riches of the South China Sea, virtually no new capital has been tempted into South Vietnam since the ceasefire. A \$40m French project, and a \$62m Hilton Hotel are among the bigger projects which have failed to come off in the past 18 months. According to Brigadier Serong these failures are partly due to Vietnamese investment laws not being suitable for really high risk capital, but also, he says, to a bureaucratic naivety and ill-timed currency exchange which are almost unique.

Besides the failure to attract commercial capital, Vietnam has not received the aid from Japanese and Western European countries which was expected to compensate for the decline in American aid.

In this most unorthodox of peaces South Vietnam's one unfailing source of hard currency has been the communists. The story of the communists buying rice in the Delta at inflated prices, and paying in

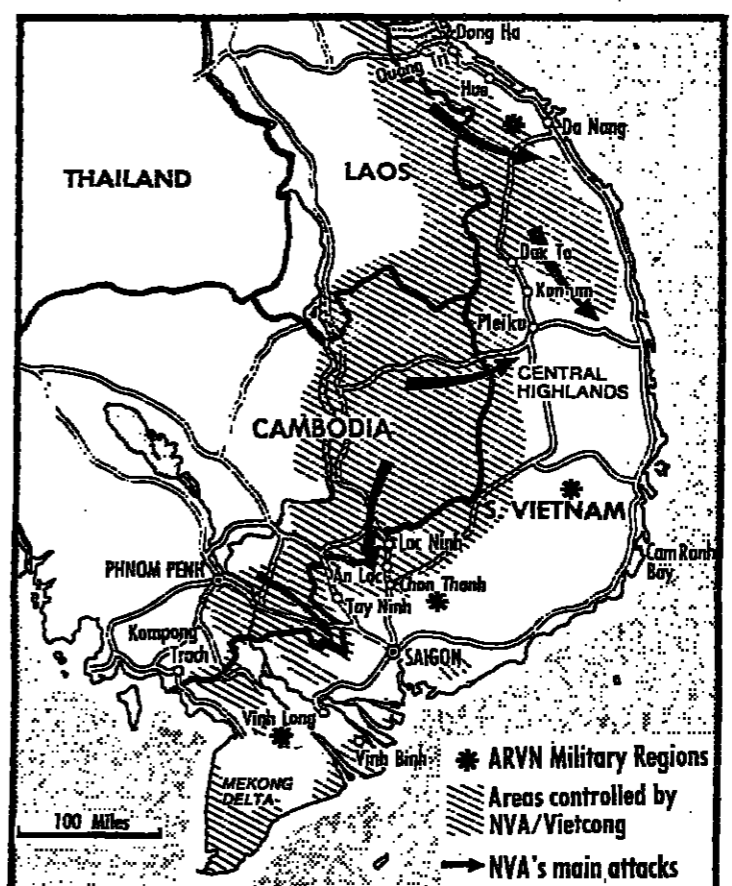
the concern that alliance or pact solidarity might come under strain in the process of détente, or that political influence might be sought through the instrument of arms control negotiations. Even the most balanced reduction of military forces in Europe will only go some way to help alleviate some of these fears and concerns. But they will not by themselves, dispel them and uncertainty political circles stance may even give new cause for suspicion.

Only if it can diminish false suspicions and increase real trust can European détente be a durable contribution to European security. In the military field, the major obstacle to trust is not so much the existing imbalance of forces as the secrecy, particularly in the Soviet sphere of power, surrounding them. Here lies the political chance of the Vienna talks and, at the same time, the reason why slow progress there need not be bad progress. If the negotiations succeed in making the elements of military power in Europe more transparent and lead to a thorough explanation of military motives and a sincere exchange of information, they can bring about the knowledge on which trust can be built.

To date, however, the Warsaw Pact is not prepared to engage in this exchange. For all of Mr Komlev's numerical arguments on western forces, the Soviet Union has so far refused to even discuss the statistics of its own military power in Europe.

Christoph Bertram

The author is Director of the International Institute for Strategic Studies.
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dollars, is well authenticated by American and other sources in Saigon. Brigadier Serong claims that a staggering half a million dollars a day from this source were reaching the National Bank in the first quarter of 1974. It is highly unlikely that the Generals and the Chinese rice merchants who receive the dollars let them get near the National Bank, or that the Bank can reliably trace back dollar receipts to transactions with the communists, so I would not believe this hard figure.

Besides, Brigadier Serong's point that Saigon was and is ambivalent about enforcing the economic blockade against the communists, partly because of the dollars to be gained, is important.

Brigadier Serong puts up

poor political readings of the leadership of both North and South Vietnam, both of which he considers immobilized by power struggles. The dynamics of both are more complicated and full of unknowns than that. But as far as the military leaders in the South are concerned, he conveys as only someone close to them could, the bitter disillusion with the Americans' "peace with honour" which was actually, in his phrase "peace on the cheap" with which they now face the prospect of an unwinnable war in which the communists have all the options.

Victoria Britain
Vietnam's Menacing Ceasefire is published by the Institute for the Study of Conflict, price £1.

He is a quiet contemplative man as is reflected in his composed face and his expert handling. He thinks before he speaks, which does not make for the repartee that Americans enjoy in their campaigns. His deliberate approach to the Agnew case drove some of his assistants mad, but that was a small price to pay.

Whatever his future, Mr Richardson has led a good life by Boston Brahmin standards. He graduated cum laude from Harvard and Harvard Law School, and won a Bronze Star and Purple Heart in the United States 4th Infantry during the Second World War.

He was a success at the State Department, and then in fairly rapid succession served as Secretary of Health, Education and Welfare, Secretary of Defence and finally Attorney General. It has been an extraordinary career, and he should make a good ambassador. London is no longer the diplomatic plum it once was, but he has a natural affinity for most things British. In the dark months ahead he will be a good friend of Britain.

Louis Heren



"Mr Pickwick and I hope you'll join us to bring happiness to lonely old people this Christmas."

Harry Secombe

"I also hope you're looking forward to a Christmas with friends, good food and warmth. When you're old and alone Christmas is the loneliest day of the year, for your memories return. You know the happiness that's in other people's homes—and the sad silence in yours. Send the gift that will help someone in a miserable, cold room to move to a friendly Help the Aged flat—or put something towards one of the Day Centres that do so much to cheer up lonely old folks. For every £3 you'll add £60 towards extra flats, because of loans. You'll give happiness for years to come (and you can't say that of the £5 you may spend on a turkey). If you want to recall happy times with someone dear to you, £150 names a flat." Put some Christmas joy in an envelope and share some happiness this Christmas.

The Hon. Treasurer, the Rt. Hon. Lord Maybray-King, Help the Aged, Housing Association Ltd., Room T6, 8 Denman Street, London W1A 2AP.

The Times Diary

Lord, the leaping cost of it all

Questioned about criticism of President Ford's travelling, the official replied: "It is a mistake to assume domestic policy is being set by sitting home, pressing buttons and bugging people."

Pool reporters had it all on their tape recorders, but in the official text the last three words of that answer had been pencilled over clumsily. On investigation, it was found that the words were "White House press secretary. His deputy said he thought people might get confused about what 'bugging' meant."

Self-fulfilling

In the past two years, this column has waged a persistent but spectacularly unsuccessful campaign against newspapers which willfully spread gloom and panic unnecessarily. There is, heaven knows, enough real misery about, without adding to it quantity. And stories of imminent shortages, queues and other inconveniences can so easily become self-fulfilling.

The Daily Mirror is the latest offender. PETROL MANIA! It screamed on its front page, explaining that "long queues are expected" as some garages closed until fuel to stop motorists filling up before the price increased.

No doubt there were some fairly long petrol queues yesterday, but mania was not the word to describe the

Today's chirlishly unhelpful road sign was photographed in Australia on the toll road between Sydney and Newcastle, by Simon Alsop of Ilford.

would now cost £15, and geese and swans are up as well. Eighteen ladies dancing, who wield scant industrial power, are up from £400 to £450, and the total bill for all 12 days (remembering that the partridge in the pear tree is given on all 12 days, the turtle doves on 11, and so on) is now £4,905.88. You have four shopping days left.

Debugging

Since the Watergate tapes, Washington reporters have been sensitive about any tampering with official records. There was, therefore, a small storm in a cocktail glass when it was found that three words had been erased from the official transcript of a hearing given by a senior official (the one with the German accent) on the way home from the Martinique summit.

Eventually Wombles Ltd, who own the lucrative copyright in all things Womble, sent a sharp letter calling on them to desist, or apply for a licence.

Florida's use of sufficiently incensed by the letter to display it, beside a Womble cake, in their window, with a notice of their own regretting the Wombles' attitude and asking customers to order not Womble cakes but "cakes resembling a small brown, furry animal with hat and scarf".

In the public mirth ensuing (people came from the other side of Soho to see the unwombed cake), Wombles Ltd relented, and yesterday they sent round a representative with a free Wombles poster emblazoned: "We can bake a Womble cake." Florida, the representative must have been a public relations man because, while he was there, he asked them quietly if they would not like to make cakes of Paddington Bear as well.

Red faced

David Greig, a cocktail barman, was yesterday presented with a cheque for £200 as part of his prize for winning a competition organized by a vodka firm of Warrington, Lancashire. He eagerly pocketed the cheque but was less enthusiastic about the other part of the prize—a week's holiday in Warrington. He has decided to spend a weekend only in the town. "I have better things to do," he confessed.

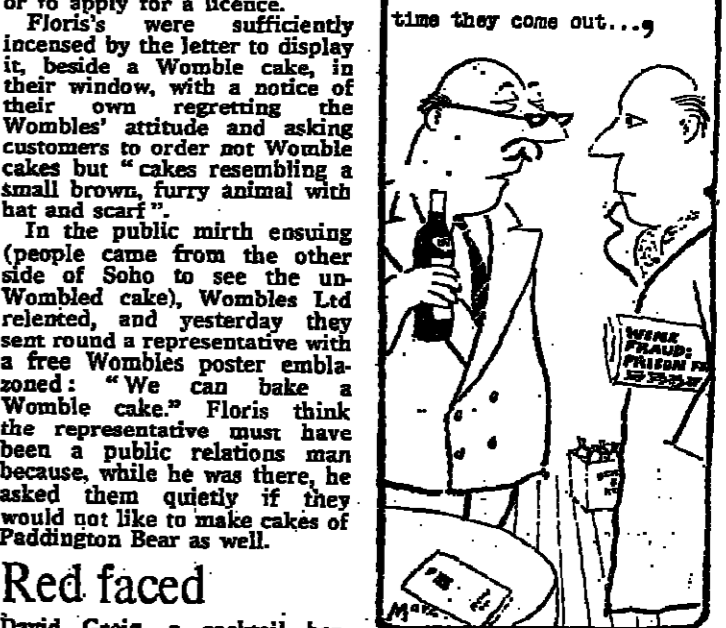
To win the prize, Greig had to say what he liked most about the vodka and invent a slogan for it. Remembering the spy theme of his cinema advertisements, he hit upon the idea of having a Russian secret agent saying: "I'll keep me warm on these cold Moscow nights." He started making them to order.

Their slice

The House of Floris, the Soho confectioners, are now licensed to manufacture Womble cakes. "A spirit of Christmas," the firm's spokesman said yesterday, "has entered into our relationship with Wombles Ltd."

The episode started seriously: Floris made a cake like a Womble for a customer, then started making them to order.

And this one should be ready for drinking by the time they come out...



The reader of the 9 am news on Radio 4 yesterday came dangerously close to editorializing when he described Robert Malika as "the Government's cheap whip". But he corrected himself with impressive speed.

ground. Soviet Embassy staff in London recently stormed out of a press preview of an advertisement featuring a march past in the Red Square.

The runner-up, who received £100 and a chance of two weeks in Warrington, was not at yesterday's presentation. He was too ashamed and insisted on anonymity.

P.H.S.

كوزا من الاصل

هكذا من الأصل

a Special Report on development and investment

BRAZIL

After a decade of unprecedented growth, 1975 will be a crucial year for development. The world energy crisis and the fivefold increase in oil prices have had a particularly severe impact. But new reports of substantial offshore oil finds and modified industrial expansion plans will continue to attract investment to exploit the country's enviable natural resources

New climate brings critics out in the open as a hitch develops in the economic miracle

Michael Frenchman
In the last few weeks of the year, Brazil has received two shocks: the hint of a revival, and awaited reports of substantial oil discoveries.

Brasil, said in London earlier this month when signing a \$100m loan for Brazil's state highway authority, that 12 wells were being drilled in the Campos field. One had been tested and was expected to produce 200,000 barrels a day. He was optimistic about future results from the other wells.

This year has seen many changes, beginning with General Ernesto Geisel, the former head of Petrobras, who followed as President in the spring, and immediately adopted a more liberal attitude towards government. The huge industrial expansion which had continued unabated for nine years halted in some sectors as the economy reeled under the effects of the worldwide energy crisis.

In the first nine months of this year imports have risen by 105 per cent and exports by only 14 per cent, according to some sources. The effect of increased oil prices have reverberated throughout industry and temporarily taken the gloss off many of Brazil's industrial achievements, particularly in the motor industry. Although this sector had a 30 per cent rise in output in the first quarter of the year the start of a substantial cutback is being felt. Steel production and plans for its future development have also been revised and more realistic targets set.

Higher transport costs and dearer imports have resulted in a rapid increase in the cost of living in Sao Paulo and Rio de Janeiro. Inflation is expected to reach an officially recognized 32 per cent, although in real terms this will probably be 40 per cent by the end of the year. All this has meant that the Brazilian industrial miracle has hiccupped.

Nevertheless, this does not mean that the great industrial machine will not change gear and start up again. All is not gloom. There has been considerable stockpiling of fertilizers, steel and nonferrous metals, and the 1975 import bill will be smaller. Also, government policy to urge state-controlled organizations to buy nationally instead of going abroad will decrease the reliance on imported machinery. Although the total deficit next year is likely to be huge it need not be any larger than in 1974.

Brazil has vast natural resources which are and always will be the key to its future development—iron ore, tin, and other minerals, and now possibly oil. In addition electric power has been totally under-used and only about 10 per cent of its 150,000 MW of hydro-power—Brazil's cheapest source of energy—has so far been harnessed. The need for cheap power and less reliance on energy sources from abroad has meant a change in general planning policy. Communications and accessibility to the country's untapped wealth have until now meant an elaborate programme of road building, but after these have been more of a political symbol than of great practical use, except in the case of roads like the Brasilia-Befem highway which has encouraged hundreds of miles of ribbon industrial development away from the traditional focal points on the coast.

Present road construction plans will be completed but more emphasis will be put on an expanding rail network as one of the main communication links. Foreign loans for roads and railways have been pouring into the country during the past year and the Banco do Brasil alone has been responsible for raising \$400m. Brazil is expected to need about \$500m for improving the railways in the next five years.

Only now is the country's natural potential being realized abroad. The list of international companies operating independently or on a joint venture basis is endless. Although it does not include a great many from Britain as yet, the latest development plans present many opportunities particularly in metal industries and communications. The hiccup in the economy is not entirely due to world events, and there is a not altogether unexpected criticism of the previous administration's financial policy. What is interesting is that this criticism has for the first time since the revolution in 1964 become public. After President Geisel's more liberal line, people have won the right at least to question some of the Government's policies, as is evident from the sweeping victory in the congressional elections on May 15.

Until now Brazilians have been content to pull together and lay the foundations for a strong independent country. They have faithfully followed the plans laid down by civilian technocrats chosen by the military regime. It can be argued that what has been achieved could not, in a country as large as Brazil, be done in any other way. Brazil has been, and will be, a moneyed economy.

Uses, taxis and cars in 21-point energy saving programme—but petrol stays cheap

Roger Vielvoey
Energy Correspondent
The enviable record of Brazil's economy in the last few years has been marred by the fivefold increase in oil prices over the year. This year the imbalance for oil will increase two thirds to more than 90m—only two years ago it was less than \$500m a year.

recommending the one measure likely to be most effective in reducing consumption, heavy price increases. Indeed, Mr Simonson, the Finance Minister, has said there will be no increase in the price of petrol until the beginning of the new year. Meanwhile, Brazilians can buy petrol at about 50 per cent below pump prices in Europe.

possible. However, the assessment should be complete within six to eight months with commercial production within two to three years. After the find, government sources were quoted by a local newspaper as saying that discoveries on Brazil's continental shelf could make the country independent of foreign oil resources in 1979. But it would take some time for these new fields to be developed and it is doubtful whether the development programme could be pushed ahead quickly enough to give the country any more than 75 per cent self-sufficiency by the turn of the decade.

Foreign oil sources are sceptical about the claims for self-sufficiency being made for Brazil. But it is generally agreed that Brazil could easily step up its domestic production levels by 35 per cent during 1975 to 250,000 barrels a day out of a daily consumption of more than 800,000 barrels. The arrival of General Araken de Oliveira has led to a new mood of realism in Petrobras statements about the potential of Brazil as an oil-producing nation. There are no longer flamboyant statements predicting that major discoveries on the scale of the Middle East are just around the corner.

lack of first-class geological prospects, the current crisis caused by soaring oil import costs has led many Brazilians to question the wisdom of continuing the state monopoly in the exploration side of the business. There is good reason to think that this view is gaining greater acceptance in political circles. While foreign participation in the oil industry was not an issue in the campaign for the mid-November congressional elections, there is thought to be considerable opposition to any dilution of the state monopoly although this is more likely to come from political rather than oil industry lobbies.

According to some sources the President, General Ernesto Geisel, a former president of Petrobras, would like to find a political solution that would allow him to introduce foreign skills into the oil search. He is thought to have the support of General Geisel in this policy. Government circles in Brasilia are already speculating that the President is prepared to ignore the protests that would be certain to arise, and announce foreign participation—strictly on a service contract basis—early in the new year.

of the agreement, the Brazilian company must invest a minimum of \$12m on exploration and appraisal during the initial seven-year period. Half the original acreage will be relinquished within three years, a further quarter by the end of the sixth year, and only areas where commercial oil has been discovered may be retained at the end of the seventh year. While INOC will be the sole owner of oil at the wellhead, Braspetro will be entitled to buy a percentage of production at "guaranteed sales price". It will also be responsible for marketing up to 300,000 barrels a day of production at an agreed international market price less 0.5 cent a barrel commission. Braspetro's participation in Malagasy is based on discussions held in early 1971.

between Petrobras and Chevron Overseas Petroleum. Chevron proposed the creation of a joint exploration fund to be used in financing joint-venture exploration activities, and later suggested that such a fund be applied to an equal-sharing programme in the Tongoobory block area. The agreement calls for an investment of \$14.6m in an area of 30,000 sq km. The proposal was approved and a formal contract signed at the beginning of the year. In August, 1973, it was confirmed that Egypt had granted Braspetro the right to prospect for oil in an 18,000 sq km area of the northern Nile valley, extending eastwards from Amoco's Western Desert concession. The agreement calls for an investment of \$14.6m in an area of 30,000 sq km. The proposal was approved and a formal contract signed at the beginning of the year.

October, the subsequent embargo on supplies to the United States, restrictions on exports of oil to other countries, as well as the quadrupling of oil prices and further price rises this year, dramatically altered the picture. With oil accounting for more than 80 per cent of the country's energy requirements, Brazil like every other oil importer has discovered that it cannot afford a huge rise in its oil bill. The result has been a substantial upsurge in the efforts to increase the amount of oil that can be won from Brazil's own oil sources and efforts to economize in the use of fuel.

Offshore drilling programme
Hopes of a state of new finds within Brazil's borders have been encouraged by the discovery of oil during a Petrobras offshore drilling programme in the waters around Campos in Rio de Janeiro state. The discovery has been named Garoupa and after a visit to the location recently Mr Shegaki Ueki, the Minister for Mines, said that preliminary indications showed the field might have reserves of 800 million to 900 million barrels—equal to the total of all other Brazilian reserves known—major discovery by any standards.

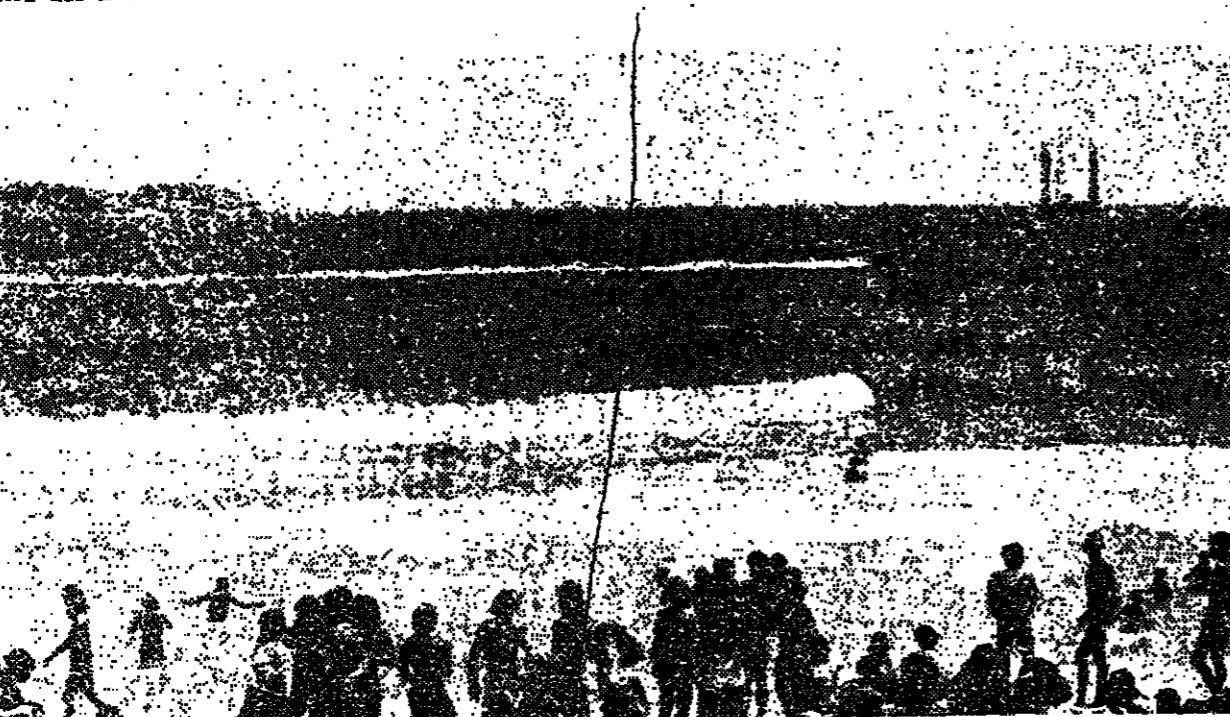
Thirteen structures have been identified and an assessment of the Garoupa field combined with detailed study of the remaining structures in the area is being carried out to establish the full extent and potential of the discoveries. According to the Government, an accurate forecast of the time necessary for the Garoupa field to start commercial production is not yet possible.

Ever since it was created in 1953, Petrobras has jealously guarded its monopoly position in sales as well as exploration and production and now has the unenviable position of being the largest single crude oil purchasing agency in the world. In the past, there have been frequent rumours, always promptly denied, that it was about to take a foreign oil company as a partner in the oil search. ENI, the Italian state energy company, has always figured prominently in these rumours.

The energy crisis has brought renewed speculation that Petrobras is considering negotiating service contracts with international oil groups to help the exploration effort. As always these rumours have been denied. "We are not interested in such contracts at the moment", Mr Ueki said recently. Petrobras had the technical and financial resources to complete the country's exploration programme, he added. While Petrobras's failure to find large crude reserves has partly resulted from the


Perhaps the most important development undertaken by Petrobras in recent years is the formation of its Braspetro subsidiary which has undertaken a number of joint exploration agreements with other groups in the Middle East, Africa and Latin America. Since the increase in prices the company has begun looking at the possibility of extending its activities to include exploration work in Canada and the North Sea. Braspetro was established in early 1972. It has signed exploration and drilling agreements in Colombia, Iraq, Malagasy Republic and Egypt.

The company acquired from South Down Inc 50 per cent of the common stock of Tennecol and in turn 50 per cent and 100 per cent respectively of the concessions and applications for concessions made by Tennecol and its wholly-owned subsidiary Petrocol in the Yari and Refugio basins of Colombia. The



A new look for Rio's Copacabana beach. An oil-drilling platform is being towed out to sea where a major oil strike is reported to have been made about 50 miles off shore.

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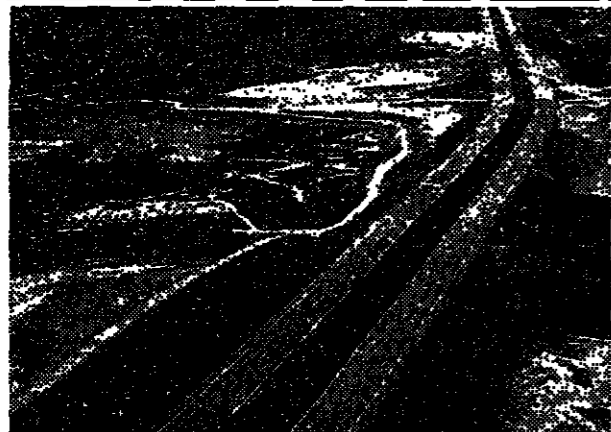
140th anniversary of a large Bank.



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The Sao Paulo state government has given top priority to the construction of the Rodovia dos Imigrantes and Via Norte motorways and to the modernisation of the Via Anchieta. For Brazil to continue to grow as a whole, Sao Paulo's road network must be integrated with those of neighbouring states, thereby strengthening the country's leading export corridor.



Part of the plateau section of the Rodovia dos Imigrantes, the most modern motorway in Brazil, linking its leading industrial centre with its largest port.



Eleven tunnels and 20 viaducts are now under construction along the mountainous Serra do Mar section of the Rodovia dos Imigrantes.

RODOVIA DOS IMIGRANTES
The rapid pace of development of the city of Sao Paulo and the extensive region known as Greater Sao Paulo is constantly on the increase. Industrial production, with its growth rate among the world's highest in the past ten years, and the agricultural development of Sao Paulo's rural areas in addition to those of neighbouring states, are two of the factors that have led to a demand for better and safer motorway interconnections. The recent sharp increase in motor vehicle production has greatly intensified the flow of road traffic in the state's urban, rural and coastal areas, especially into the city of Santos, Brazil's leading port. To absorb this increase, the Rodovia dos Imigrantes was planned, and is now being built, with its name being a tribute to the many immigrants who helped South America's leading industrial centre to grow and prosper.

Its construction has become a matter of national urgency. In order that a vast region of the interior may be adequately served, work is scheduled to start in January 1975, and the Via Norte will eventually serve 85 county boroughs with a population of more than two and a half million, currently dependent on the Via Anchieta, which has already reached its maximum traffic capacity of 30,000 vehicles a day.

THE PLATEAU SECTION
The Rodovia dos Imigrantes starts at Diadema, just south of Sao Paulo's city limits and some 2,500 feet above sea level. It runs down the escarpment of the Serra do Mar and ends at the island of Sao Vicente, near Santos, 35 miles away. The Plateau section was opened for traffic in January, 1974. Nineteen miles in length, it has two tracks with four lanes each, planned for speeds of up to 75 m.p.h., with a maximum capacity of three per cent and a 57-foot central dividing strip. It has been designed for a daily load of 170,000 vehicles. The Plateau section interconnects with the existing Via Anchieta motorway at the kilometre 40 post on each, by way of a five-mile stretch of the Outer Ring Road.

For the first time in Brazilian management history, a project of this scope is to be carried out with investments from the private sector, under a sub-concession system. This is a pioneer initiative for Brazil, though the method has been widely used in Europe and elsewhere in the Americas, with satisfactory economic results. It will enable the government to increase its capacity to meet demands for new roads elsewhere in the state, for each mile of motorway costs, on the average, the same as ten miles of ordinary road.

A BRAZILIAN RESEARCH LABORATORY
In 1968 the Sao Paulo State government granted DERSA the concession for the industrial exploitation of the use of the Via Anchieta, the Rodovia dos Imigrantes, and their interconnections. It is the only company in Brazil concerned with the building, extending and improving of Sao Paulo's state motorways.

Since being set up as a concessionary company, DERSA has become a veritable research laboratory, able to tackle anything from project design, introduction of new construction methods, maintenance, conservation, traffic safety surveys, traffic operation, motorway landscaping and geological studies to feasibility and geotechnical studies and economic applications in the tertiary sector.

MOTORWAYS IN OPERATION
DERSA is responsible for traffic coordination, collection of toll charges and conservation and improvements on the network formed by the following motorways:

THE SERRA DO MAR ROAD
The escarpments of the Serra do Mar form a natural barrier between the plateau and the coastal region. To overcome this barrier, CR-120 million are being spent monthly, and 14,500 men are working with the most advanced equipment and machinery available. The upward traffic track of this section of the Rodovia dos Imigrantes is scheduled for completion in the first quarter of 1975. Eleven tunnels, totalling 12,730 feet in length, and twenty viaducts totalling almost five miles are being built to designs that have enabled maximum preservation of the environment.

THE COASTAL SECTION
This is virtually a floating motorway. Totally completed between the Serra do Mar section and the island of Sao Vicente, it cuts across almost four miles of swamp.

NEW INDUSTRIAL POLES
Since the Rodovia dos Imigrantes and the Via Norte are open to traffic, there will be possibilities for the setting up of new industrial and urban centres along a stretch of more than a hundred miles. Four Brazilian states—Minas Gerais, Goiás, Mato Grosso and Paraná—in addition to the whole of Sao Paulo's interior region will be put directly in contact with this state's coastal districts.

VIA ANCHIETA
The forty-mile-long Via Anchieta motorway is at present the only means of communication between Brazil's largest industrial production centre and its most important port. It cuts through the country's most advanced industrial region, receiving the impact of traffic parallel to that of the Rodovia dos Imigrantes and from one and a quarter to five miles apart from it. It has been entirely rebuilt and modernised over the past four years, and equipped with right and left supplementary tracks to deal with local traffic in the urban areas, especially towards the port of Santos and to connections with smaller rural roads.

VIA NORTE
The Via Norte motorway is to be completed in 72 months. It will then link the maritime terminal of Santos with Viracopos International Airport near Campinas, with a daily vehicle capacity of 70,000.

SOURCE OF FUNDS OBTAINED FROM 1971 TO SEPT. 1974

SOURCE	1971	1972	1973	JAN.-SEPT. 1974	TOTALS
Federal	—	156,568,895	380,000,000	638,000,000	1,188,968,895
National financing	75,000,000	184,550,000	373,220,000	—	632,770,000
External financing	24,823,675	48,840,940	53,321,785	50,425,881	177,512,281
Toll charges	91,923,675	389,439,835	816,151,299	1,379,826,477.51	2,587,341,287.51

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Income tax money channelled into poorer region

by J. M. Pinheiro Neto

Brazil is determined to maintain its growth and development and for this purpose the main policies of the Government include the use of tax and fiscal concessions or incentives and credit facilities for approved projects in the national interest.

The incentives could be divided into two main categories, one being those for the development of the north-east of the country and the second for the furtherance of certain activities thought to be commendable in the national interest.

The incentives for the development of the north-east have been in existence for a number of years and have meant channelling income tax money due from companies in the south of Brazil to new investments, or the expansion of existing ones, in that poorer part of the country.

The north-east comprises the states of Alagoas, Bahia, Ceará, Maranhão, Paraíba, Pernambuco, Piauí, Rio Grande do Norte and Sergipe, the Federal Territory of Fernando de Noronha and a part of the state of Minas Gerais. The authority in charge of administering the projects to be carried out in the region is Sudest. In 1966 a similar programme of incentives was created to develop the Amazon region and the authority organized for this purpose was Sudam.

The incentives applicable to both areas are roughly similar. The first and main one is a 50 per cent reduction in the income tax payable by the new companies established in either region up to the year 1978. It is probable that this date will be extended, as it has been in the past. The income tax exemption is effective for a period of 10 years, and of 15 years in some special cases. The greater part of the

incentives, which consists of the investment money applicable to the north-east and Amazon regions, comes from the allocation by companies in other parts of the country, especially in the southern part of Brazil, to manufacturing and agricultural organizations created there.

Companies in Brazil may allocate up to half their assessed income tax payable in each year to proposed projects, or those already in existence, in the north-east or Amazon regions. As the investment may be made in a subsidiary of the company which allocates its tax payments it is easy to see the advantage that this represents if the availability of labour, or raw materials, or other favourable conditions in the north-east or the Amazon region justify the creation of such a subsidiary and the development of a special plan or project.

The only restriction is that the shares representing the tax money may not be sold or transferred during a period of five years. Usually from the point of view of the investing company this is not material and the possibility of establishing a successful new business with tax money and then recouping this same money, which would otherwise have been paid into the Government's coffers, is certainly an inducement to consider the investment.

Besides the use of tax money, it is necessary to make available other funds; at least a quarter of the capital required. But it is also possible to obtain financing from the Banco do Nordeste do Brasil (BNB) up to half the capital to be directly invested in the project by the beneficiary company.

Sudest and Sudam approved industrial, agricultural, stockbreeding, forestry, fishing and mining projects may also be exempted from customs duties on their imports

of plant and machinery without parallels in Brazil; and also from local taxes known as IPI and ICM, which are different versions of the value-added tax applicable in the United Kingdom.

It is now proposed by the Brazilian Government to have incentives for the north-east, the Amazon region, and all others, controlled by three different funds to avoid some of the deficiencies in the mechanics of the present system. The minister of finance has submitted to the public and to financial organizations a proposal containing the new regulations, which is being discussed with great interest.

Extensive use of incentives

The Brazilian Government makes extensive use of incentives when it gives preference to some activities over others. Considering the capital market still insufficiently developed and hoping to activate it to provide private businesses with the necessary funds for their working capital and expansion, the Government decreed incentives to make the opening to the public of the stock capital of companies more attractive.

With this in mind, the basic rule was established that at least 20 per cent of the voting stock of companies would have to be placed in the hands of the public. If this was complied with, the companies and the investing public would have certain tax advantages.

This has proved to be less effective than was expected and the stock market in Brazil is still facing a depression. It is expected that the Government will allow funds from foreign sources to invest in shares and stock of Brazilian companies.

The fishing industry has

also benefited from incentives. Not only are these companies exempt from income tax for a certain period of time, but the law also provides that a fishing company applying for tax-deductible investments, or a taxpayer wishing to benefit from the available deduction, must make a direct investment from his own resources of at least a third of the tax-deductible investment.

The proportion of the tax-deductible investment in relation to the capital of the project varies from 25 to 75 per cent, depending on the part of the country where it is to be established and the type of fishing involved.

There are tax incentives for forestation and reafforestation, as this has become an activity heavily sponsored by the Government. Tourism is in the same category and numerous new hotels have been built, and are being built, with part of the financing obtained from the taxpayer.

To stimulate agriculture the law provides that individual farmers may deduct up to 80 per cent of their net income each year for the purpose of investment in improvements or expansion of their farms.

There were established incentives for education and aviation, but unless extended these will lapse in the next few years. More interesting and effective incentives were granted to mining companies but for some of them a requirement was that the companies be majority-owned by Brazilian nationals.

One of the major incentives is to export as the Government is determined to foster a continuous increase in exports from Brazil. All profits derived from exports are excluded from taxable income of companies which also enjoy exemption from local taxes (IPI and ICM) that otherwise would have been collected in a sale to the internal market.

The same kind of incentives, with others, granted to companies an approved export programme. Entire export duties may be transferred to B without any import duty and with other concessions if the total or the greater part of the production destined for export. In times are also granted the installation, expansion or modernization of some in the basic requirements that the project approved by the Indus Development Council (C

The tax position of companies doing business in Brazil is fairly simple. There is a basic income of 30 per cent of tax income. With regard to individuals, the maximum progressive income tax is 50 per cent. Progression takes place at an accelerated rate, penalizing people with income. Recently the Government has authorized many corrections to be applied to the amounts thus retained at source up to a certain level, which will benefit poorer classes.

Credit facilities are used to give greater support to Brazilian companies controlled by Brazil nationals. At one time foreign companies established in Brazil with subsidiaries had credit facilities which were not available to Brazilian nationals. But with the presence in Brazil of representatives of most of the major banking institutions of the free world the disparities have disappeared. Nevertheless, the Government is determined to make available credit through its agent the BN (Banco Nacional do Desenvolvimento Economico), the funds are to be used for the development of the local economy or to avoid its dependence on foreign companies the credits are particularly favourable. It is expected that in the coming years the trend will continue.

The young society knows how to tackle inflation

by Robin Jones
managing director,
Thomas De La Rue SA,
Rio de Janeiro

Eight golden years of gross national product growth in excess of 10 per cent, coupled with the natural dynamic and enthusiasm of a society under the age of 19, account for the exuberance and confidence which the business visitor to Brazil meets upon arrival. If there is a slight frown or two upon the brow of the older generation, the over-30s, it is more likely, to reflect the need to change gear as the economic going gets rougher, rather than loss of confidence.

A realization that Brazil is now a member of the world community is a source of pride which generates a confident appraisal of world affairs, political and economic, and Brazil's involvement in those affairs.

A return to inflation in 1974 has not disturbed confidence in growth through diplomacy, particularly in the Middle East and Africa, where relationships are excellent; and through the burgeoning domestic economy still able to plan on a rate of above 6 per cent.

"We have been through accelerated inflation before and have learnt to live with it successfully. Brazilians argue and there is a growing number of European economists prepared to recognize the legitimacy of the methods used and to testify to their success. At rock bottom Brazilians know that the untapped natural resources covering the full range of industrial prime raw materials are accessible on a vast scale.

They also recognize the need for outside monetary and technological help. The recent spate of industrial exhibitions sponsored by the Germans, French and Americans has been on a large scale and highly successful. The second British exhibition easily surpassed the first with sales which will eventually total £65m. These represent valuable export sales for the British manufacturer, but many exhibitors have been quick to recognize also the opportunities and ready encouragement for setting up manufacture in Brazil.

The list of real attractions which both federal and state governments offer the foreign investor is substantial and growing. There are no difficulties about the remittance of dividends, nor is there difficulty about remittance of principal in the event of liquidation or sale of business.

Corporate tax has remained unchanged at 30 per cent and the tax on interest payable on long-term foreign loans has been removed. Part of corporation tax can be invested in government-approved schemes including tourism, reafforestation, certain kinds of fishing and others, many of which are already paying small dividends.

State governments add further inducements through preferential land prices, terms of payment and moratorium on some state taxes. It is a question of getting the appropriate contact and the right advice.

Beside the more obvious sources of information such as embassies and chambers of commerce—it pays to use those of some other countries as well—there is a multiplicity of good international legal firms and auditors, the larger of which can offer comprehensive guidance on taxation, establishment procedures, staff recruitment and labour laws and procedures.

Contact with Brazilians in positions of influence both in government and private

enterprise is easy, direct and can be surprisingly informal. Surprising too is the large number of key executives and government officials in their mid-30s; several ministers in the Government have not reached their forty-fifth birthday.

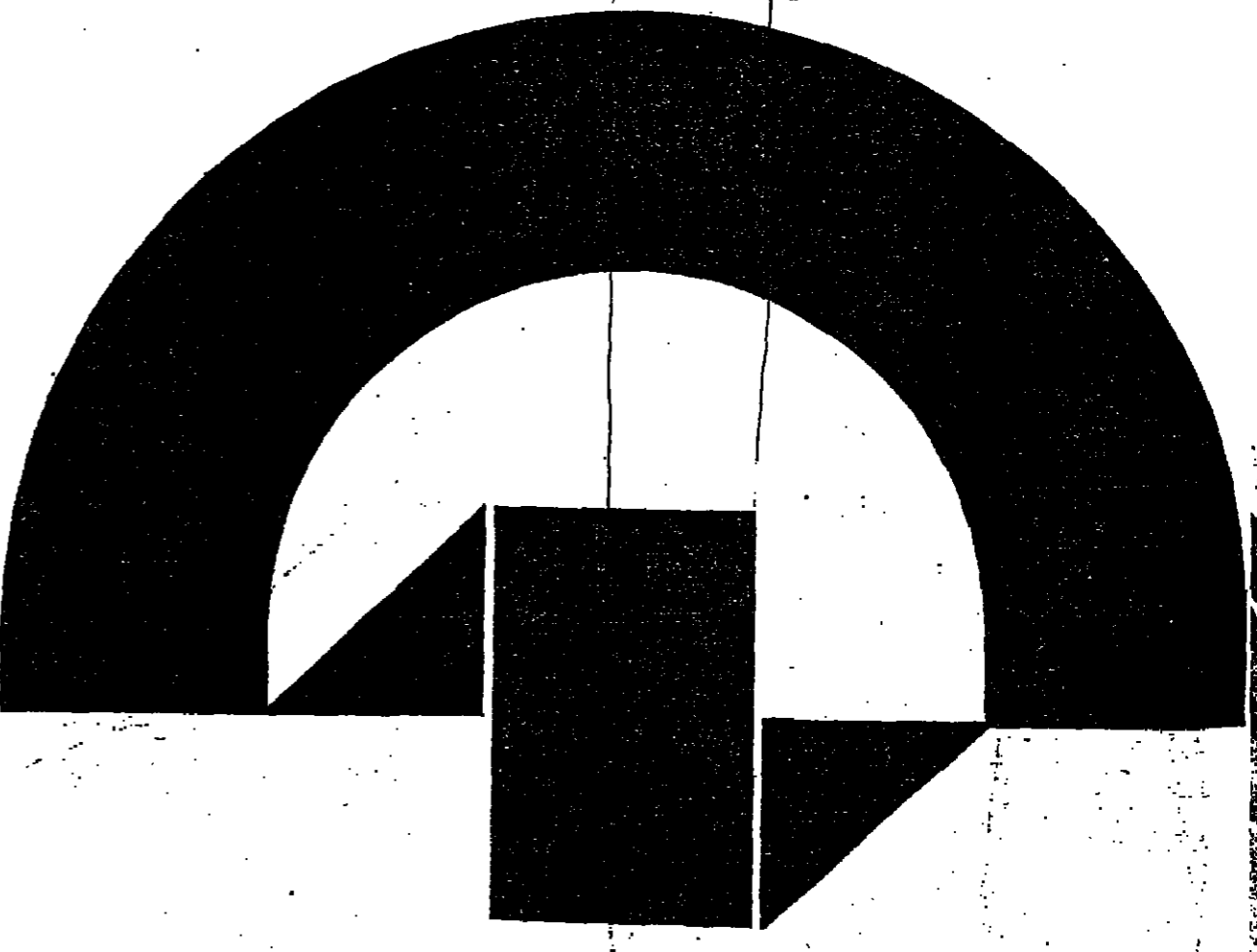
It is a characteristic of people working in industry at all levels to attend night school three to five days a week instead of going straight home. The desire to learn is coupled with the desire to earn. And innova-

tion applied to things learnt, which is another attractive element of the Brazilian spirit, has given Brazil certain privileged positions in technology and systems. There may be something self-generating in this respect, constant change and development in the environment producing an unusual amount of mental agility and ability.

At the centre of all this activity is the firm, direct hand of government. There is no constitutional negotia-

tion with labour—strikes are illegal—and direct pressure can be applied. There is considerable interchange between government and the leaders of commerce and industry made easier by the fact that although power stems from the 1964 military revolution governments since that date have sought the cooperation of civilians attracted from the private sector and distinguished by their success

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مكتبة من الأصل

These two articles examine the role of investment banks and the part played by British merchant banks in developing the country's economic and industrial scene.

The key financiers who guard personal savings . . .

Amiro A. Ribeiro, president of Banco do Investimento, only perform securities market operations and other activities characteristic of the so-called "investment banking industry" but also are important credit institutions.

There are 45 chartered investment banks in Brazil. This number will probably diminish in time, in view of the trend of acquisitions and mergers and the firm position taken by the monetary authorities not to grant any new charters (a policy which is also applied to commercial banks and finance companies).

The total added net worth of investment banks is equivalent to \$300m and the 74 private commercial banks have a global net worth of \$470m. The net worth of the 10 largest institutions represents 49 per cent of the total in the case of investment banks, while in the field of private commercial banks the 10 largest represent 58 per cent. The total assets of investment banks were \$2,700m on June 30 compared with \$5,000m in the case of commercial banks.

Branch networks vary widely

There are 143 branch offices of investment banks, while the private commercial banks have 4,320 units. This great difference in the size of respective branch offices is basically a consequence of the difference in the nature of these two types of institutions.

The commercial banks perform a far greater number and volume of services of a retail nature, while investment banks are more wholesale institutions operating in specialized fields. Investment banks in Brazil are permitted neither to grant loans to individuals, nor to hold checking deposit accounts for their clients, nor to buy and sell foreign exchange.

Firm underwritings of new issues of shares in Brazil are effected mainly by the investment banks, although a few independent brokerage firms have also been active in that field. Investment banks have capital accounts: time-deposits, Brazilian official funds, and borrowings of foreign funds.

Time-deposits with investment banks totalled \$1,200m on June 30, representing 48 per cent of the total liabilities of such entities. Such deposits must have a minimum maturity of 180 days, from six to 18 months, the average being about 12 months. Loans out of such

orient their activities, as do commercial banks and some other types of institutions when they are the controllers of a financial conglomerate.

However, the great majority of the members of the Brazilian stock exchanges are independent brokerage firms, and together they make up for the largest portion of the total daily business.

The investment banks are also the managers of the main investment funds in Brazil. There are two kinds of such funds: common mutual funds and fiscal mutual funds. The latter come from income tax deductions which the law grants to individuals to stimulate investments in shares. It is mandatory that they be managed in the form of mutual funds, and deposits can be withdrawn only after five to six years.

In addition to advising issuers of securities and furnishing information and investment advice to their clients, investment banks serve in other financial counselling capacities, such as in the case of mergers and acquisitions, project analysis and helping companies to find new investment opportunities.

Investment banks have played an important role in the Treasury bills and federal readjustable bonds markets, together with brokerage firms and in close cooperation with the Central Bank. Liabilities of investment banks are subjected by the Central Bank to a regular global ceiling of 12 times net worth; this limit may be increased by means of official refinancing operations up to an additional value of three times net worth.

Credit operations of Brazilian investment banks encompass both working capital and fixed assets financing. Their total outstanding balance on June 30 was equivalent to \$2,200m, while total credits of private commercial banks amounted to \$3,200m on the same date. This comparison shows the remarkable growth recorded by investment banks. Tests of credits granted by investment banks are basically conditioned by the nature of the funds utilized, which come from three main sources, apart from field. Investment banks have capital accounts: time-deposits, Brazilian official funds, and borrowings of foreign funds.

Time-deposits with investment banks totalled \$1,200m on June 30, representing 48 per cent of the total liabilities of such entities. Such deposits must have a minimum maturity of 180 days, from six to 18 months, the average being about 12 months. Loans out of such

funds are granted basically within the same range of maturities.

Because of the fast-changing structure of the Brazilian financial markets, private investment banks have found it advisable not to grant medium and long-term loans with funds made available by such time-deposits; but some of these funds have been used to finance the shortest maturities of medium and longer maturities being financed through other means.

For longer-term lending operations investment banks have used mainly official re-lending of medium and longer maturities being financed through foreign funds. Private investment banks also provide guarantees to loans granted to their clients by Brazilian official institutions which serve in other financial counselling capacities, such as in the case of mergers and acquisitions, project analysis and helping companies to find new investment opportunities.

The financing of large projects for public utilities, steel mills and the like must be executed directly by official development banks. But whenever the size and degree of risk can be borne by private institutions (acting jointly or individually) there is a good case for the governmental institutions to act through the latter and this is being done on a growing scale, especially by the National Economic Development Bank.

Governmental funds borrowed by private investment banks for re-lending operations amounted to \$200m on June 30, while official loans granted by the latter totalled \$80m. The importance of official financial resources lies less in their significance to the total business of the private banks than in their contribution to the medium and long-term credit operations.

Investment banks are not authorized to perform the multiple international financial operations that have traditionally been the bread and butter of Brazilian and foreign commercial banks and also of British merchant banks. Nevertheless, Brazilian investment banks have developed important and growing relations with foreign banks and firms, through new types of financial operations and other activities, thus enlarging the spectrum of the international business connections of Brazilian investment banks

and commercial banks coordinate their action within the financial conglomerates. In the field of foreign relations, this coordinated action has permitted the broadening of the scope of cooperation and made easier the granting of reciprocity.

Another positive factor has been the direct participation of foreign groups in the share capital of Brazilian investment banks, authorized by the Government since they were founded. At first there was no precise limitation to that foreign investment. Later on it was established by the monetary authorities that foreign ownership must not exceed one third of total shares. This was enough to stimulate large foreign banks to associate themselves with Brazilian financial groups through the share capital of investment banks in direct participation in the share capital of commercial banks was not permitted.

Direct foreign participation

Growing interest in the development of Brazil has stimulated the activities of Brazilian and foreign financial institutions aimed at orienting foreign investments into Brazil. Both direct and loan foreign investments have grown solidly over the past few years, the only exception being portfolio investments in a variety which the Government has not yet regulated but which has already been the subject of many contacts between foreign and Brazilian investment banks and brokerage firms.

Brazilian investment banks are authorized to borrow funds abroad for the exclusive purpose of re-lending them in the domestic market. As in the case of commercial banks, these credits have been granted directly by large foreign banks and reflect a degree of international banking cooperation without precedent in the financial history of Brazil.

Such borrowing has reached \$500m in the case of investment banks, and most of it has been effected in the Eurodollar market on a 10-year basis for repayment in equal semi-annual instalments beginning the twelfth month after drawing. The required minimum total maturity was recently reduced to five years and the investment banks have, as a rule, adjusted their new borrowings to this basis.

Domestic re-lending of these funds has been made

. . . and engineer export coups

by J. Antony Lesser, director, J. Henry Schroder Wagg & Co

For more than a century a number of London merchant banks have had close connections with Brazil and have built up a knowledge and experience shown by the varied activities in which merchant banks today are involved. Historically, the banks had developed a business which had its roots in financing commodities and raw materials, followed by floating public issues in London for Brazilian municipalities and states, as well as for financing the development of Brazil's public transport systems.

It was not until the arrival of the Eurocurrency market that any big departure from the pattern of the merchant bank's involvement in Brazil took place. The remarkable growth in the country's gross national product since 1967, together with the massive investment in production facilities without the help of a developed domestic capital market, created an insatiable demand for foreign funds to fulfil local sources of financing.

In the early days after the bloodless revolution of 1964 such lendings were rarely for more than six months and almost exclusively in respect of trade transactions. However, political stability and imaginative economic policies in Brazil coincided with a period of explosive growth in the Eurocurrency market which was busy looking for new and secure lending opportunities.

In an attempt to control the ensuing inflow of funds the minimum permissible period for foreign borrowing was steadily increased to 10 years. At the same time it was hoped that this would have the effect of encouraging direct capital investment instead of debt financing.

As increasingly large amounts of money were required for longer periods, the merchant banks' role became one of syndicate managers with the finance provided by groups of banks in one or more financial markets. As a result of this activity and the close relationship created with the Brazilian public and private sectors, merchant banks were frequently asked for assistance in determining the borrowing needs, potential sources and the acceptability of the terms and conditions of international funding operations.

With the increase in public and private investment, it became obvious that there

was a need for a "financial engineering service" in respect of main infrastructure projects, as well as the more straightforward export financing of British capital goods to Brazil. The merchant banks were quick to seize this opportunity and with the backing of the Export Credits Guarantee Department, a sizable number of financing arrangements for individual projects, both were set up for Brazil, both for support for the successful British trade fairs in Sao Paulo.

As the financial requirements of investment projects increase in size and complexity, the need is arising for a service to coordinate the export finance available from the developed industrial nations in Europe.

The experience which those merchant banks active in Brazil had developed was eagerly sought by the large international companies which were investing in Brazil. The banks were able to advise their clients on the various tax incentive schemes, documentation and other formalities required by the Brazilian authorities, and it became clear that a more comprehensive form of service was required by foreign companies.

Some merchant banks went on to formalize the long-standing friendships they had built up with private Brazilian groups in order to combine the international skill of the banks with the detailed local knowledge of the Brazilian partners.

These limits were reduced to five years and eight years respectively, and a further measure reduced the withholding tax on all investment payable abroad from 25 per cent to 5 per cent. These measures have undoubtedly encouraged banks to re-enter the Brazilian market.

However, it is questionable whether the inflow of funds is as great as the Brazilian authorities would want and a further reduction to, say, three years could be recovered in the not too distant future.

If we accept the declarations of the oil-rich nations, then Brazil must be a prime candidate for financial assistance as a developing nation which should not have to suffer the whole burden of the increased cost of crude oil.

There is a role to be played by the merchant banks in this extent it has also been possible to tap the Brazilian capital market, although such operations have always presented many difficulties.

In line with many developed countries, the Middle East oil crisis totally without doubt has changed the Brazilian picture years ahead.

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BRAZIL BOOM

TRADE

Table with columns: Value of Imports (fob) \$m, 1973 Jan-June, 1973 July-Dec, 1973 total, 1974 Jan-June. Rows include Unprocessed foodstuffs, Processed food, Mineral products, Chemical products, Textiles and textile products, Metal and metal products, Machinery and equipment, Other imports.

In 1971 a new system for classifying Brazilian imports was introduced. The FNBB Economics Department has attempted to reclassify imports for 1970 and 1971 according to the new system. In some cases available data have not made precise reclassification possible. In these cases, items under the new system have been left blank, and the respective imports have been included under one or more other items.

Sources: Central Bank Report (September 1974), Ministry of Finance

Table with columns: Value of Exports (fob) \$m, 1973 Jan-June, 1973 July-Dec, 1973 total, 1974 Jan-June. Rows include Agriculture, forestry, fishing and livestock, Manufactured Goods, Mining, Other exports, Total exports.

Source: Central Bank Report (September 1974) Provisional data at November, 1974

The keynotes to Brazil's export drive this year have been expansion and diversification; in particular, Brazil has sought export markets outside its traditional trading partners of Europe and the United States. One area in which commercial interest is growing is Asia, particularly Japan and China.

Total exports for the first six months of the year rose from \$2,536m (January-June, 1973) to \$3,076m while imports more than doubled, the 1973 figure for the first six months increasing from \$2,501m (fob) to \$5,565m for the equivalent period. It has been estimated that for Brazil's balance of payments to reach equilibrium, the country would need to increase its total exports by \$2,000m a year.

need to increase its total exports by \$2,000m a year. Although early in the year estimates of the value of Brazil's agricultural exports would have been high, hopes that Brazil could reach its export target of \$8,000m, coffee exports rose 14.1 per cent compared to last year and it is now the first eight months of last year's year.

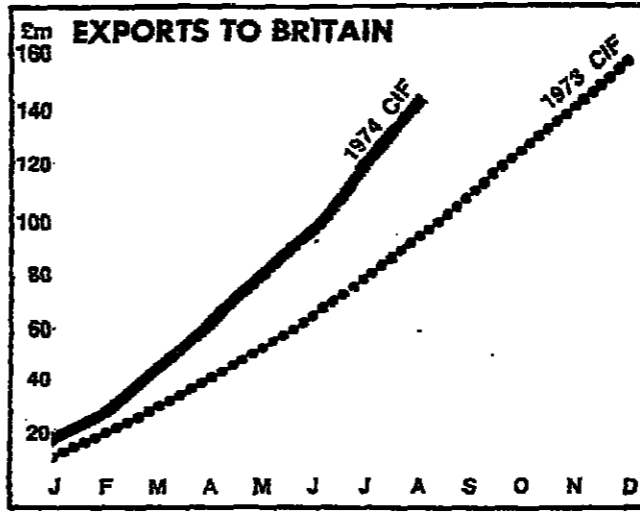
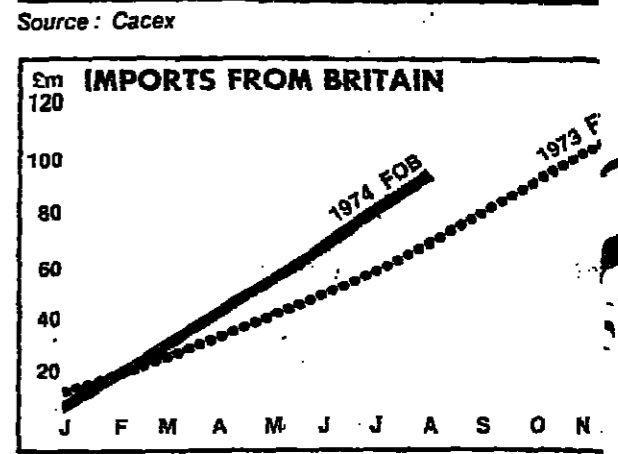


Table titled 'Direction of Trade' showing Exports and Imports in \$m for 1973 and 1974. Rows include United States, Canada, LAFTA, EEC, EFTA, Comecon, Japan, Other countries.



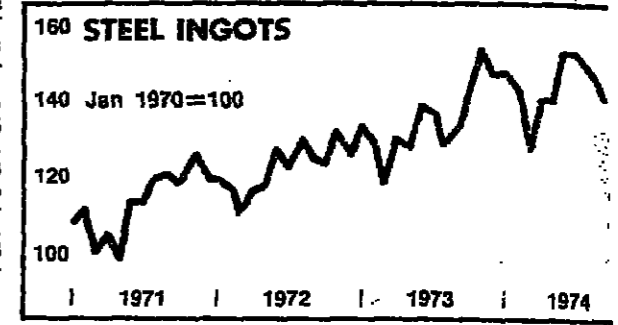
INDUSTRY AND MINING

In 1973, overall industrial production in Brazil rose by an estimated 15 per cent; it was this increase which counterbalanced agriculture's poor showing (3.5 per cent) and brought about an overall economic growth rate of 11.4 per cent.

Figures released in 1974 (preliminary official estimates) show that industrial production rose by 17.3 per cent in the first quarter, compared with the same period in 1973. The following sectors showed the greatest increases:

Table showing percentage increases for various industrial sectors: Transport equipment (+64.3%), Chemicals and plastics (+30.7%), Non-metallic minerals (+21.2%), Metal and electrical industries (+13.2%), Rubber (+10.2%), Paper and board (+7.2%), Sisal ingots (+20.4%), Motor vehicles (+30.6%), Tractors (+37.3%), Petroleum (+5.3%).

Table titled 'Current outlook' comparing production and sales for Sept 1974 and Sept 1973. Rows include Pig iron, Steel ingots, Flat rolled, Tin-plate, Non-flat rolled, Sales (1,000 tons), Uncoated flat products, Coated flat products.



According to the Minister of Industry and Commerce, a new 10-year plan for expanding the steel industry for the period 1975-85 will come into effect shortly with revised output figures which are considerably higher than previous targets.

The major mixed capital, mineral enterprises in Brazil are as follows: 1. Companhia Vale do Rio Doce (CVRD) is the largest metal mining complex in the western hemisphere, and is government controlled. It includes a transport network leading to its own embankment terminal. Along CVRD exported 37,500,000 tons of iron-ore in 1973, and with its associates Samitri and Petroco, exported more than 42,800,000 tons.

Expansion is being encouraged by the state. Investments will be about \$1,000m for 1974 and 1975. There are 39 steel mills in operation which in 1973 produced 7,129,000 tons of steel. For 1974, expected production figures are 8,500,000 tons.

Production by-products and exports: In 1973 iron ore output was 58 million tons, of which 43,500,000 were exported, 9,360,000 tons of steel were used internally (an increase of 28 per cent over 1972), and it is believed that this year, imports of steel will be kept below three million tons. Through the domestic supply of rolled steel (3,100,000 tons) was up by 6.4 per cent from last year; this is still 30 per cent short of national consumer demands.

Table titled 'Industrial production' comparing Jan-September 1974 and 1973 with Jan-December 1973. Rows include Steel ingots, Rolled steel, Pig iron, Coke, Crude petroleum, Natural gas, Gasoline, Diesel oil, Fuel oil, Vehicles, Tractors, Cement, Synthetic rubber, Electric power.

Table titled 'Cumulative Steel Production (1,000 tons)' comparing 1971, 1972, 1973, 1974 with 1974/73 variations. Rows include Pig iron, Steel ingots, Flat rolled, Tin-plate, Non-flat rolled.

Canscar (Bahia) to be completed by late 1977, including units producing benzene, toluene, paraxylene, mixed xylene and orthoxylene.

Petroquímica, Shell Brazil and the Pronorte and Uniao groups, will each take a quarter share in a new company which will set up, at a cost of 360m cruz, a plant producing 50,000 tons of polypropylene a year.

Other minerals: Brazil is the world's chief source of manganese, and the state of Amapá accounts for most of the output. The leading manganese mining corporation is Icomi, a joint venture of Caemi (51 per cent) with Bethlehem Steel (49 per cent). Brazil also has 60 per cent of the known reserves of niobium.

A number of new projects have been announced. Among these are: Petroquímica plans to build a plant near the Duque de Caxias petroleum refinery (Rio de Janeiro) to manufacture 60,000 tons of styrene a year. Another complex is to be set up at

de Bahia. Dupont do Brasil aims to expand investment from \$83m (current) to \$200m by 1980, and plan double production of synthetic fibres, other petrochemicals and chemicals.

Export of synthetic fibres (rayon viscose) in \$ million: 1971 1972 1973 1974. December date not included. Source: Brasil '74

It is intended to step production of plastics to domestic consumption and 10 per cent increase in plastics has been forecast. The furniture industry a group ammonia and urea to 18 per cent; in packaging has been estimated that Sao Paulo continues to grow at its present rate. It is intended to step production of plastics to domestic consumption and 10 per cent increase in plastics has been forecast. The furniture industry a group ammonia and urea to 18 per cent; in packaging has been estimated that Sao Paulo continues to grow at its present rate. It is intended to step production of plastics to domestic consumption and 10 per cent increase in plastics has been forecast.

COST OF LIVING

Table titled 'Cost of Living, Rio de Janeiro (Guanabara)' showing percentage increase on previous December for June 1973 and 1974 (to date) for various categories like Food, Clothing, Domestic articles, Medicines, Personal services, Public services, Wholesale prices, Farm products, Industrial products, Foodstuffs.

TOP TWENTY

Table titled 'TOP TWENTY' listing major companies in Brazil with their names and capitalization in \$m. Rows include Petroleo Brasileiro SA, Centrais Elétricas de São Paulo, Light Serviços de Eletricidade SA, etc.

GENERAL

Brazil is a federal republic occupying the east and central area of South America. It is bounded by the Atlantic, and has common frontiers with all the countries of South America except Ecuador and Chile. It covers an area of 3,286,470 square miles (almost half the South American continent). It is larger than the United States, and has a population of 101,705,000 which is increasing at an annual rate of just under 3 per cent.

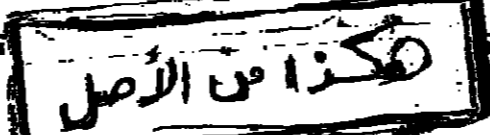
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FOCUS

Researched by Susan Morgan

VEHICLE PRODUCTION

Though production figures for cars in the first nine months of 1974 are up by more than 22.8 per cent on 3c figures for the same period last year, the industry has been hard hit by a huge increase in the price of petrol. Production during the year has declined and September's figures are down 3 per cent from August which is in turn down by 3.6 per cent from July figures. It now seems almost impossible to reach the 1974 target of 880,000 units (20.5 per cent higher than 1973). The problem of slumps in car sales is by no means confined to Brazil. However there the problems have been compounded by industrial unrest, slowdowns by workers, which will disrupt production further. Agricultural tractors. Despite increased output, there is still a shortage of domestic supply, which will probably reach 10,000 units (about 20 per cent short).

	1971	1972	1973	1974	Jan.-Sept. 1972/71	1973/72	1974/73
Production	378,040	448,852	522,578	641,533	+18.7%	+16.5%	+22.8%
Total cars	247,871	300,868	327,925	390,172	+21.4%	+9.0%	+19.0%
Wagons & pick-ups	97,863	107,866	143,369	189,587	+10.0%	+32.2%	+32.2%
Trucks	29,051	36,422	46,884	55,533	+25.4%	+28.6%	+18.6%
Buses	3,255	3,696	4,448	6,236	+13.5%	+20.3%	+40.3%

Source: Anfavea

SHIPBUILDING

relative newcomer in state of Rio de Janeiro. The 53,000-ton Doceanagra, the biggest vessel ever made in Latin America, was built here.

Companhia Comercio e Navegacao. Situated on Ponta d'Arela, Niteroi, state of Rio de Janeiro.

EMAO (Engenharia e Maquinas). Situated in Praia Rosa, Ilha do Governador, state of Guanabara. Builds tugboats, dredgers and trawlers.

Industrias Reunidas Caneco. Situated on Ponta de Caju, state of Guanabara.

Brazilian shipyards organized on a national basis to promote exports, are members of Estaleiros Associados do Brasil (ESA-BRAS - Associated Shipyards of Brazil), whose headquarters are at Av Rio Branco, 20, 2 Andar, Rio de Janeiro.

Estaleiros Unidos do Brasil (Ishibras). Established 1959; located in Inauma Guanabara; joint venture with Japanese Corporation; builds wide range of vessels and makes Suizer Daihatsu engines. Has a dock with a capacity of 30,000 dwt.

Estaleiros Unidos do Brasil. Situated in Jacuanga bay, Angra dos Reis, Janeiro.

Shipbuilding industry—capacity of shipbuilding docks or slipways

Shipyard	Capacity in dwt		
	1968	1973	1975
Estaleiros Unidos do Brasil—dock 1	25,000	25,000	25,000
Estaleiros Unidos do Brasil—dock 2	—	45,000	400,000
Estaleiros Unidos do Brasil—slipway 1	20,880	40,000	50,000
Estaleiros Unidos do Brasil—slipway 2	35,000	35,000	70,000
Com. Navegacao (Maua shipyard)	15,000	15,000	40,000
EMAO	7,400	10,000	40,000
Caneco	10,000	10,000	10,000

Source: Brazil export '74

Foreign investment

Foreign investment in Brazil in June 1972 these figures last year increased by an average of 27.9 per cent. Several countries registered much steeper increases, notably Luxembourg, which jumped by 129 per cent; The Netherlands, 92.8 per cent; Switzerland, 60.9 per cent; and West Germany, 40.8 per cent. The predominant position of the United States, which in 1972 had 37.4 per cent of all investment, was maintained, as was that of West Germany.

Total foreign investment at the end of June, 1973, registered \$2,493m for investment and \$1,583 for reinvestment; \$900m against \$318m.

Little change in Brazilian legislation on the registration of investments is expected in the near future. Brazilians are anxious to attract currency and technology into those areas which they are unable to develop autonomously.

Foreign investments registered at June 30, 1973

Country	Investments		Total (\$m)	Increase over June 30, 1972 %
	Investments (\$m)	Reinvestments (\$m)		
United States	799.3	666.2	1,465.5	22.4
West Germany	375.5	148.3	523.8	40.8
Canada	251.6	70.6	322.2	8.0
United Kingdom	95.9	219.7	315.6	20.0
Switzerland	234.1	93.6	327.7	60.0
Japan	223.8	8.4	232.2	14.0
France	58.4	154.8	213.2	33.3
Panama	72.4	34.3	106.7	10.2
Netherlands Antilles	41.0	51.7	92.7	0.2
Netherlands	52.0	39.4	91.4	92.8
Sweden	42.0	30.2	72.2	13.9
Belgium	48.7	16.7	65.4	13.1
Luxembourg	52.3	33.8	86.1	129.0
Italy	31.4	2.1	33.5	1.8
Others	114.9	23.1	138.0	37.8
Total	2,493.3	1,582.9	4,076.2	27.9

Source: Banco Central do Brasil

FOREIGN DEBTS

The total foreign debt at the end of 1974 is forecast at \$18,000m compared with \$12,882m at December 31, 1973. It would be unrealistic to expect the Brazilian Government to be able to expand exports sufficiently in the short term to improve balance of payments and pay off this debt. The Brazilian Government is not too preoccupied about this debt and the growth of the debt is monitored and will form part of the official plan for the balance of payments. However, the long-term view is less optimistic. Many observers feel that the foreign debt will grow sharply after 1975 (imports are bound to increase while exports may not follow suit) and that it may be difficult for the Government to meet repayment targets; at present this is being done through the Eurocurrency markets, but how long this can continue is uncertain. A continual rise in the foreign debt may prove a dangerous move, because future export performance cannot be guaranteed to offset it—and only if exports continue to increase can it be serviced.

	1969	1970	end-year 1971	1972	end-Sept. 1973
Compensatory loans	548.4	381.5	300.6	240.9	221.0
US and programme loans	584.8	603.6	622.8	617.8	616.1
Import financing	1,355.2	1,709.3	2,201.5	2,783.8	3,419.1
of which: IBRD	198.8	258.2	347.5	483.9	589.8
IDB	151.0	181.4	206.1	243.7	278.7
IFC	14.1	16.4	22.6	34.5	47.9
Eximbank	165.9	190.4	239.3	277.6	285.1
US aid project loans	227.00	268.3	307.7	341.9	372.1
Loans-bond	—	—	—	60.0	118.3
External consolidated debt	16.1	15.0	13.7	12.2	12.0
Foreign financial credits	1,604.7	2,284.6	3,193.0	5,528.3	7,290.0
of which: Resolution 63	432.5	653.2	983.3	2,018.4	2,387.1
Sumoc 289	373.5	381.2	294.8	207.4	107.4
Law 4151	798.7	1,250.2	1,914.9	3,302.5	4,795.5
Miscellaneous loans	314.1	301.2	291.8	278.0	271.1
Total	4,403.3	5,295.2	6,621.6	9,521.0	11,946.2

Source: Banco Central do Brasil

BANKING

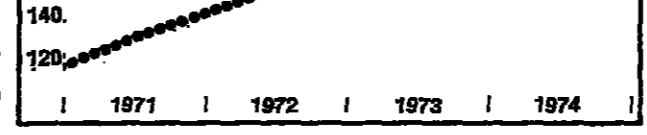
The Government's main instrument of credit control is the Central Bank, created in 1964, which implements the policies formulated by the National Monetary Council. Government policy has been to concentrate on the mobilization of domestic credit and increase foreign loans. The domestic banking sector was badly shaken by the Hales group problems earlier this year and the Government is increasing pressure on the banks to encourage mergers.

In 1964 there were 328 separate banks; now there are 115 with 7,931 outlets. Government pressures are also maintained to keep interest rates and operating expenses as low as possible; both are still thought to be too high.

Since the banking reforms of 1964-65, a good deal of the loan business has filtered to newer financial institutions.

The success of these measures has been marked, although in 1973 efforts to hold down inflation to 12 per cent were unsatisfactory. The main thrust of the attempt was through subsidies and artificially low prices on certain foods and some industrial products. In practice not only did the attempt fail, but it also contributed to this year's problems. Together with the oil and commodity price rises, it led to an inflation rate of 45 per cent for the first five months of this year and looks as if it will continue in the region of 30 per cent for the remainder of the year. The slowdown during the year has occurred because of the Government's control measures—strict price and wage controls, limitations on government spending and a sure-limitation of the policy of monetary correction to 35 per cent, emphasis on higher productivity, wages and price controls and the recommendation to officials to hold down inflation to 12 per cent were unsatisfactory. This has achieved some success, but there is no doubt that international pressure have made it harder to control inflation and have contributed to the growing popular discontent that has manifested itself recently in the recent defeat of the government party in the parliamentary elections.

240 PRICES
220 Jan 1970=100



Balance of payments

The flexible exchange rate has been one of the main factors in Brazil's export performance. There was a substantial rise from \$3,991m in 1972 to \$6,198m in 1973, helped by the world commodity price boost for coffee, sugar and soy beans in particular, though manufactured and semi-manufactured goods also produced a rise of 60 per cent. As a result, 1973 provided a balance of trade account of \$182m in surplus, a satisfactory reversal of the \$244m deficit in 1972 and the \$345m one in 1971.

However, 1974 will not be so satisfactory. Agricultural products have been hit—neither soy beans nor coffee have held last year's prices. Imports have also risen sharply—oil costs were \$1,077m for the first five months of the year compared with only \$425m for the corresponding period last year. Agricultural exports are still expected to do better in the second half of this year but the estimated trade deficit is still likely to be at least \$2,000m. This is in spite of June's import controls which imposed increased duties on more than 400 luxury items among other regulations.

	(\$m)	Jan-June 1974	Jan-June 1973
Balance of payments deficit	205.2	1,603	1,603
Deficit on current account	3,423	1,929	1,929
Surplus on capital account	2,957	1,967	1,967

Source: Banco Central October, 1974.

\$ 1,000 (fob)	1973	1974
Imports	4,377,770	8,980,000
Exports (grand total)	4,636,191	5,291,151
Industrialized	1,391,911	2,136,933
Trade balance	+258,421	-3,688,849

Source: Business Briefs

INFLATION

Brazil is one of the very few countries which has adapted to inflationary conditions. Since the mid-1960s there has been a series of measures to combat inflation—strict price and wage controls, limitations on government spending and a sure-limitation of the policy of monetary correction to 35 per cent, emphasis on higher productivity, wages and price controls and the recommendation to officials to hold down inflation to 12 per cent were unsatisfactory. This has achieved some success, but there is no doubt that international pressure have made it harder to control inflation and have contributed to the growing popular discontent that has manifested itself recently in the recent defeat of the government party in the parliamentary elections.

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Soya and wheat in harness

by Patrick Knight

Years ago Brazil only produced 10 per cent of its needs. It is hoped that this year's \$600m import bill will be cut even further next year as more land is put to wheat.

Home demand is still low, and it is doubtful whether Brazil can entirely meet it at economic prices. On the other hand, it is felt that the central area of the Mato Grosso and Goiás could produce far more wheat, soya and cattle once fertilizer production is increased.

Other crops where Brazil is likely to want to carve out a slice of export business for itself in the near future are in the up-and-coming orange juice business, although production this year has not been so high as last year. Sorghum, which is a fairly new crop in Brazil, is producing good yields, but the export potential is limited.

Rubber might become competitive again, as the price of synthetic rubber rises. Plantations in Bahia have proved disappointing but efforts are being made to achieve better yields in Rondônia and Amazonia. A million trees are felled every day in Brazil, for even now 15 per cent of

energy is derived from wood. Eucalyptus and faster growing varieties of pine are being planted in reforestation programmes.

Early this month the Government announced plans aimed at making Brazil self sufficient in paper and cellulose by 1980, and to export 20 million tons of cellulose by 1985. During the past 12 months \$160m was spent on paper and cellulose imports.

New efforts are being made to encourage the agriculture of the North-east, as the somewhat unrealistic solution of encouraging mass migration to Amazonia is recognized as having failed. It is finally being accepted that the problems will have to be solved within the region itself. Plans to invest \$120m have been announced, and among the 20 large projects is a proposal to increase the irrigated area by 120,000 hectares.

Losses in storage and transport are as high as 20 per cent, but there are ministry plans to improve feeder roads, attack pests in a systematic way and, to improve storage facilities, a census of existing capacity is being carried out. The tractor stock is increasing fast and should rise from the existing 245,000 to 510,000 by 1979.

Land is still plentiful in Brazil and there is scope to increase the intensity of production if demand should be there at the right price. It has recently been estimated that 25 per cent of land is exploited at the moment and only 4 per cent cultivated, amounting to some 40,600,000 hectares in 1973.

There is a growing labour shortage in the richer states, as manpower moves to the towns and cities.

The announcement that social services are to be extended to rural workers will no doubt stimulate mechanization, although these proposals will probably take several years to fulfil. Whatever may be planned at government level, there remains an enormous gap between intention and practice in Brazil.

Most farmers are conservative and are not influenced by government propaganda, many being illiterate. The impact of the small number of agronomists remains minimal.

There are 600,000 farmers in the state of Minas Gerais, for example, yet only 1,200 agronomists to advise them. The point is made by the differences in productivity of new crops, such as soya, where the farmer admits he knows nothing and listens to advice, and traditional crops such as maize.

Sugar becomes a major earner

This sugar has become Brazil's major earner, passing coffee for the first time in recent history. Sugar exports totalled 2,400,000 tons, and earned \$1,200m in 1974. Exports were lower than last year's 2,970,000 tons, but revenues in 1973 were only \$600m.

Brazil plans to increase production to 10 million tons by 1980, with four million tons available for export. It is already the world's biggest producer and cut about seven million tons of cane this year.

Exporters are expecting a stabilization of the world price well below its present crisis level, and contracts have been signed with China and Middle East countries at below current prices, though partly for political reasons.

Prices paid to producers have doubled this year, but this has been offset by an increase of 150 per cent in the price of fertilizer, a 40 per cent increase in labour costs and oil price rises. There has also been intense speculation in land this year; values have doubled, tending to push up costs.

Agriculture is being given top priority by the new Government, as buoyant world demand and prices for many of Brazil's crops have brought about the realization that an efficient agricultural sector can earn increasing amounts of foreign exchange, particularly at a time when exporting industrial goods is difficult. The trend towards stabilizing agriculture began about five years ago, but has been accelerated by General Geisel's Government.

A concerted effort is being made to increase productivity by offering extra credit, encouraging mechanization, increasing fertilizer production, improving transport and storage facilities and by attempting to reduce losses caused by bad husbandry and pests.

There is the traditional zone of Rio Grande do Sul, Santa Catarina, Paraná and São Paulo where breeds common to the United Kingdom are found, and where British livestock have sold well in recent years. The central zone, including Minas Gerais, Goiás and southernmost Mato Grosso, and also certain areas of the north-east share the same conditions. There is also the new zone of northern Mato Grosso and Amazonas. Here African breeds are commonly raised, and quality has been greatly improved in recent years.

Cattle rearing in the jungle areas is still in its infancy, and a clear pattern has yet to be established. The situation is still distorted by special factors such as the perhaps over-generous fiscal incentives given to firms prepared to invest their profits in clearing jungle and setting up ranches. Results so far have not always been successful, but the outlook is bright for the long term, with several large-scale schemes operating or under study, some involving complete processing deep in the interior.

Although the Brazilian cattle stock is estimated at about 85 million head, fluctuating weather conditions, and the fact that most pasture is unimproved means that it takes on average six years to bring a Brazilian steer to market weight, compared with four years in Argentina.

The virtual collapse of the world beef market has hardly affected Brazilian cattlemen. They have never exported more than 10 per cent of their kill, and the home market is buoyant, with demand increasing at about 6 per cent a year. Consumption of beef is still fairly low at about 18 kilos a head a year, compared with 50 kilos a head in Europe.

There is still great scope for increasing productivity in a sector where husbandry and marketing are often primitive. Controls are slowly being extended, and between 60 and 70 per cent of slaughtering is done in authorized places, under the supervision of the federal veterinary service. Beef exports will probably be between 160,000 and 180,000 tons, however.

Other crops with excellent prospects are cocoa, maize

and cotton. It is planned to achieve a steady 4 per cent increase in cocoa production, aimed at producing 550,000 tons by 1980. This will result in Brazil passing Ghana as the world's largest producer.

The crop is concentrated in Bahia and other north-eastern states. Funds are to be devoted to research, improvement of stock and manpower training.

Domestic demand for cotton remains high. Only 35,000 tons were exported this year, compared with 120,000 tons in 1973. Low world prices have meant that plantings have been cut by an average of 10 per cent, and up to 18 per cent in São Paulo state.

This year saw a dramatic increase in exports of maize, which reached 360,000 tons, compared with 7,000 tons in 1973. Good prices were obtained because of a poor United States crop, and stocks were run down to meet demand. Exports account for only a small proportion of the maize crop, however. 2,400,000 tons are consumed in São Paulo state alone.

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Budget increased by 165 per cent

The Ministry has had its budget increased by 165 per cent and is recruiting the best skills available. Production has increased by about 10 per cent in 1974 despite the floods in the north-east early in the year, when up to half of plantings were lost. This compares well with the 4 per cent increases of recent years. Levels of internal demand are fairly low, so the planned 7 per cent growth may only keep pace with internal consumption.

This assumes that it has been decided to permit controversial politics to return to Brazil, which will result in increased wages and greater expenditure on food. Food prices have risen by 41 per cent in the past 12 months, hitting the lower income groups badly. On the other hand, Brazil is looking to agriculture to help to bridge its increasing trade gap, likely to be \$5,100m on visible trade alone this year, so she will be anxious to export and perhaps continue to limit internal demand.

Professor Alysson Paulimelli, the Agricultural Minister, has announced a massive fertilizer investment programme to make Brazil self-sufficient by 1980. Some 75 per cent of fertilizer is imported, at a cost this year of \$330m compared with \$214m in 1973.

Imports of fertilizer have dropped by about 5 per cent because of increased costs, and Brazil uses about 30 kilos a hectare at the moment. The \$1,300m investment aims to boost production to four million tons, and consumption to 80 kilos a hectare.

Brazil can hardly be treated as one unit as far as cattle are concerned. There are at least three different zones, each with distinct methods and problems.

Maize yields 1,300 kilos a hectare

Yields per hectare of soya are some two thousand kilos. Yet yields of maize, often grown by the same farmer, remain at around 1,300 kilos a hectare compared with 6,000 kilos on equivalent land in the United States.

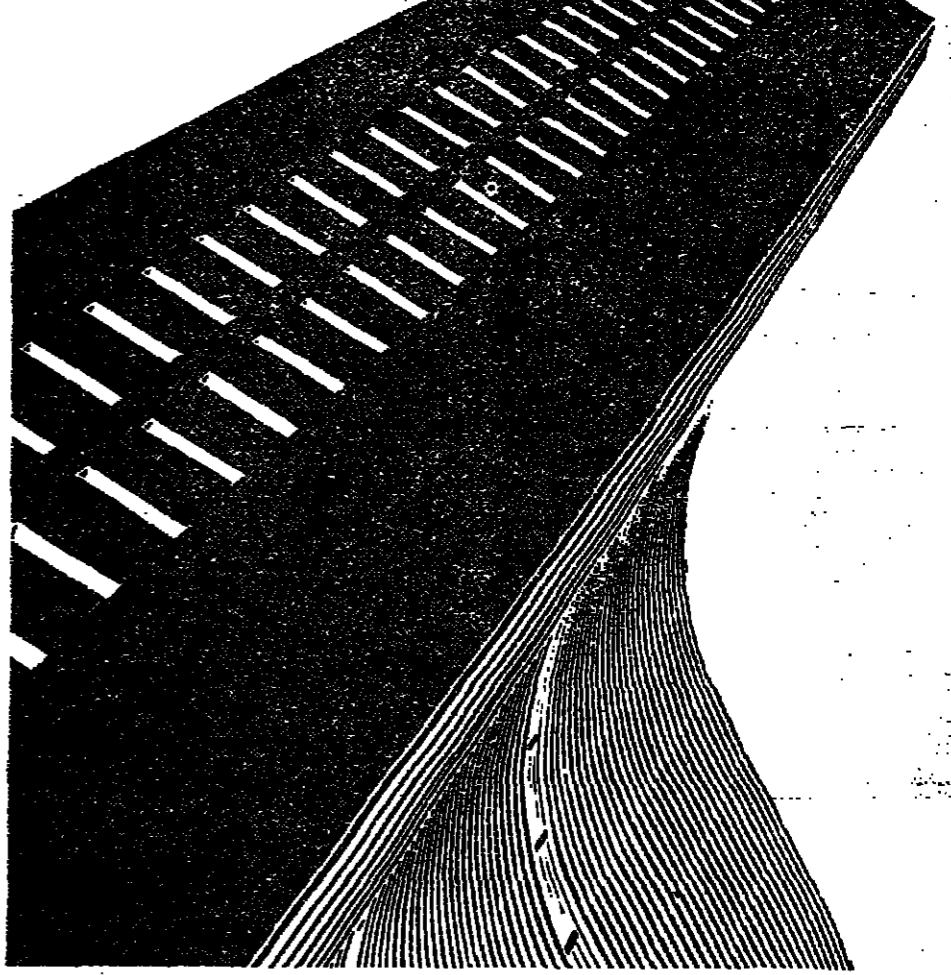
There are sure to be many more changes. Some experts go so far as to say that Brazil will not be a coffee producer by the year 2000 but will import it from lower-cost African countries.

Increased labour costs are pushing up prices and, although efforts are being made to mechanize, beans ripen at different rates, making harvesting by machine difficult. There are dangers in too rapid a pace of change.

Fears are being expressed about the erosion risks involved in raising up coffee bushes. These absorb the semi-tropical rainfall fairly well, and protect the soil from the exposure inevitable in soya and wheat cultivation.

Brazil is trying to rectify the malpractices of centuries in agriculture. So, unlike the new sphere of industry, miracles are not so easy to achieve.

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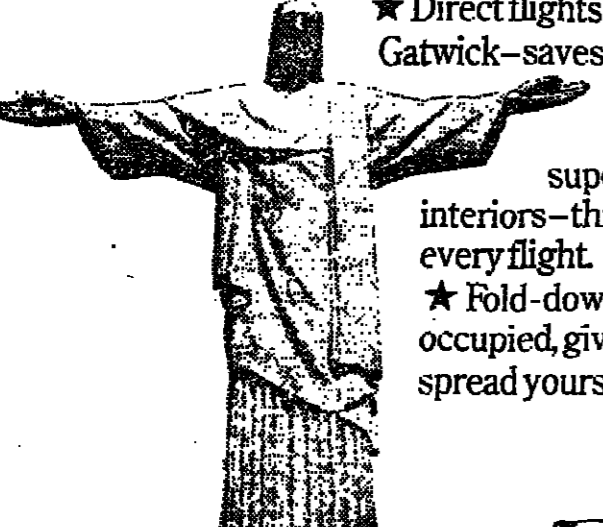
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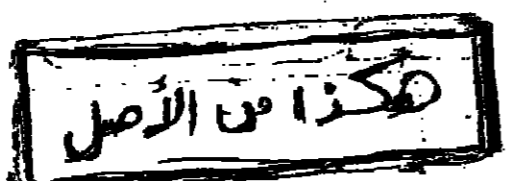
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Drive right on for New York' is the dream

are has been a change in phasis on Brazil's road building programme in recent months. Few major projects are being launched, while funds for insurance are to be tried in 1975.

Several important routes are to be opened next year, the most spectacular being a 500 kilometre coastal link between Rio de Janeiro and the port of Santos, said to be the most expensive ever built in Brazil, costing £500,000 a kilometre. The road will be a two-lane highway, with rough rock, or involving massive protection works to vent tropical rain and subsidence, will be almost 11m a kilometre.

Construction has been aided by the difficult terrain, bad weather and shortages of materials, particularly cement, now affecting sectors of the economy. The first stretch of 257 miles will be opened in April, when completed, one of the most attractive routes will be opened. Pressure will be reduced on the overworked Rio-São Paulo, and Paulo-Santos routes.

The first road to reach Manaus from Manaus due to open to traffic in the north, running north from the Velho in Rondonia, because of a lack of aggregate and because the lessons learnt on the us-Amazonia highway, a road is being asphalted in the beginning.

Although transport costs distant Manaus will inevitably be heavy and only high value goods likely to be carried at the road will have an effect on this previously isolated area, not to mention Manaus's use as a free port. This road will be opened to the Venezuelan border and Caracas by 1976.

Several stretches are already built, but attacks on road-building crews by Indians, concerned that their lands are being encroached in violation of previous agreements are delaying construction.

A glint comes into the eyes of Brazilians who say that within a year or two it will be possible for them to drive direct to New York, once the Darien Gap is opened. The distance from Brasilia to New York, about 5,000 km is no farther than from Rio Grande to the north-east, and that journey has been possible for some years on paved roads.

At least one carriageway of the new road running up the steep escarpment from Santos to São Paulo, the "immigrants highway", should be completed by March, but again, bad weather and cement shortages have delayed completion. Construction companies working on this road and on the São Paulo to Curitiba widening programme, are getting into financial difficulties this year, mainly because of inflation pushing up the price of materials, fuel and machinery.

The end of 1975 should see the completion of a third road running from the centre of the country to the banks of the Amazon. This is the Cuiaba to Santarem Highway, 1,754 km long. But already it has caused controversy by passing through Indian reservations, and workers have been attacked. The area crossed is particularly rich in mineral deposits.

Work continues along the northern perimeter road, a 4,215 km transcontinental route linking the Atlantic coast with the Colombian frontier, to the north of the Amazon. Like most roads in



A fleet of bulldozers on the site of a new highway in the Amazon jungle.

Amazonia, the northern perimeter is being built by the army.

There has been a slowing down of the pace of road building in Amazonia. The Trans-Amazonia, widely publicized as a colonization and integration road, built to encourage the migration of settlers from the impoverished north-east, was in reality much more political in concept, aimed to define and perhaps defend an ill-marked and empty frontier area. Only 10 per cent of the expected 100,000 settlers have in fact moved to Amazonia. More have come from the more dynamic and richer south.

There is little to attract settlers. There are few medical, educational or social facilities, and although there are fertile areas, the lack of accessible markets makes other than subsistence farming difficult for the undercapitalized small settler.

Emphasis has moved from the encouragement of uncoordinated migration to the development of heavily capitalized poles of growth, usually grouped around a mining venture, which provides a basic market for products, and with a proper infrastructure. The cost, and the engineering difficulties of maintaining the 5000km east to west Trans-Amazonia are proving formidable.

The terrain is not as flat as it appears from the air and obstacles to the hurriedly planned road, though overbuilt during the rushed building programme, are causing continual problems during the prolonged rainy season.

Some stretches have already been rebuilt, and washed out bridges replaced several times. Voices are beginning to be heard, though still faintly, asking whether such a road is the best way to police the area and suggesting that cargo supplied from the air could do the job better and more cheaply.

The numerous agricultural and industrial projects in the 1975-79 second national plan imply that industry will be more widely dispersed in future, and will call for the building of many small scale feeder roads, while 2000km of major road will be upgraded in 1975. The first code of maintenance practice has been produced, and a network of maintenance centres is planned with training facilities for engineers and technicians.

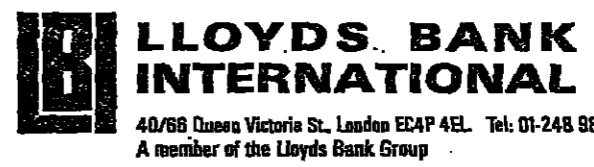
The recent news that Brazil is likely to be self-sufficient in oil in the near future is likely to give an added boost to the road sector, though not to the detriment of the railway-building programme. It will be a long time before railways reach Amazonia, except for specific mineral extraction projects, so that in the majority of the huge country, the road system continues to expand and be improved.

Brazil is now well provided with the routes she needs for the current level of economic activity. There is some spare capacity in the north-east, built as a result of aid programmes in anticipation of development that until now have not come. Elsewhere it is a question of eliminating bottlenecks before they throttle development, resulting, it is hoped, in curing Brazil's starting road toll, in which 3,000 people died and 30,000 were seriously injured in 1973.

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Radical measures needed to tap land resources

newed inflation has seriously affected the housing sector. Relatively low income, minimal rates and the credit schemes enjoyed by the middle classes have encouraged ever-increasing outlays to be invested in urban planning difficult to leave.

Inflation this year is rising at 35 per cent, but rise of land prices in São Paulo has doubled in the last 12 months and increased by 400 per cent in some areas, notably near the metro route. Private individuals and companies are unwilling to dispose of real estate and it is estimated that there is enough idle land within the greater São Paulo area to house three times the present population.

The municipality of São Paulo took a first step towards tackling the problem three years ago when Emurb, the municipal urbanization department, was founded. So far Emurb has not been able to buy much surplus land, lacking the capital necessary to do so, so its resources are now being concentrated on projects that are beyond the scope of private enterprise.

Project Leste on the banks of the River Tiete, 28 miles from the centre of São Paulo, is the first such administrative complex planned near by, so demand for labour will be adequate. If the go-ahead is given fairly soon, the project could be completed within five years.

Project Leste will provide housing for 250,000 people, equivalent to less than half the annual growth of the São Paulo area, now increasing by about 600,000 inhabitants a year. In 1975 alone, 8,000 new homes will be needed; 485,000 by 1980.

It is recognized that radical measures are needed if

land speculation is to be controlled and the capital tied up released for more productive use in industry or agriculture. An attempt to attack the problem by increasing rates is being studied. This would encourage owners to dispose of idle or under-used land or property.

A property worth £55,000 may now pay as little as £90 annual rates.

It is hoped that in a situation of surplus, land prices could be stabilized, benefiting both private individuals and the municipality, which at present has to pay heavy compensation for land required for road building or other works. There is clearly a large gap between planning such a scheme and putting it into practice.

Finance flows into real estate for the good reason that land and property are the only secure places for it in time of inflation, which is the norm in Brazil. Other equally secure and profitable investments would have to be available if such a plan were to have a chance of acceptance and success.

In this situation Brazil's housing bank, the BNH, now 10 years old and the second largest financial institution in the country, has been unable to cater for other than middle income groups and has not met the needs of people earning less than three times the minimum wage, roughly £70 a month.

In an attempt to broaden its scope, the BNH launched the popular housing plan, Planhap, in 1971. Planhap aims to provide loans for low-income earners at interest rates ranging from 1 per cent to 6 per cent, subsidized by wealthier borrowers who pay up to 10 per cent for their money.

MATURITY FOR EXPORTATION

1952. Brazil, Northeast. 1,500,000 km² of inadequate substructure and insufficient financial resources. Then, the Federal Government creates the Banco do Nordeste do Brasil S.A. to strengthen and speed up the regional economy and defeat the different levels of income, existing in relation to the rest of the country.

Banco do Nordeste today: the biggest agency for development in Latin America. The 4th bank of the country on financial applications. The 2nd, making loans to agriculture and cattle raising.

Banco do Nordeste today: financing and aid for the technological development of farming and agricultural mills. Financing and aid to provide substructure, general credit to maintain economic growth. Financing and promotion of tourism and exports. Researches, scientific and technological improvements.

Now, we're settling our International Department of Operations, which will provide us a closer contact with the exportation activities.

Integrating the Regional Exporting Promotional System, we have developed studies and researches that allow us to identify and improve new products to the external market. And we are also members of the "Trading Company do Nordeste", being presently organized.

If your enterprise is interested in importing new products, get in touch with our International Department of Operations. We give a special attention to the non-traditional manufactured or agricultural goods. It's our will to make known, all over the world's harbours, the fruits of northeast Brazil's maturity.

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In Brazil, there is no business like Comgas business.

Reading this special report, you are aware that Brazil is a country with the highest growth rate in the world.

And that in Brazil there is a state which is responsible for the larger part of this development.

The state of São Paulo has almost 20 million inhabitants who contribute more than 6 billion dollars to the Gross National Product.

In the city of São Paulo and in the Greater São Paulo area, alone, there are more than 8 million people who contribute half of this total.

Campinas, Jundiaí, the Vale do Paraíba and the Santos area together have more than 3 million people.

And, incredible as it may seem, the major part of the energy consumed in Brazil is generated by wood, sugar cane refuse and petroleum by-products.

The state of São Paulo needs gas to create the energy so that it can continue being responsible for the larger part of the development of this country.

Whoever has invested in Brazil has never been sorry.

Whoever has invested in São Paulo has never been sorry.

Whoever has invested in gas also has never been sorry.

Comgas is looking for people who would like to participate in Brazil, in São Paulo, in a gas company which has a potential market of twenty million people and thousands of industries.



Companhia de Gás de São Paulo

Because of dearer fuel, Brazilian planners have had a second think about communications and there has been a change of emphasis towards improving the country's fairly small rail network. This will be able to make use of the sizable hydroelectric resources. There will be enormous growth in the movement of oil, petrochemicals, fertilizer, cement and bauxite. Shipping fleets are being expanded to handle increasing trade

Massive new rail line will speed exports and usher in an age of expansion

By Patrick Knight

A second railway age is about to begin in Brazil. A total of 54,300m is to be invested in an immense expansion and improvement plan which will push up tonnage carried from 80 million in 1973 to 260 million in 1980.

In decline for 30 years, Brazil's railways now move only 16.2 per cent of all freight, compared with 50 per cent in many European countries. Seventy projects are envisaged, involving laying 3,500 km of new track, modernizing 10,500 km, building or acquiring 300 locomotives, 20,000 freight trucks, 70 passenger train units and 140 passenger coaches.

Lines will be electrified, initially 1,439 km, where ever traffic density justifies it, while it is planned gradually to standardize at a gauge of 1.60 metres. At the moment 1,300 km are of this gauge, but all the new lines will be built to 1.60 metres and a further 3,200 km of track modified under the four-year plan.

Central to the plan and absorbing a third of the funds will be the steel line, an 830 km high-speed electrified line linking the mineral exporting state of Minas Gerais, the steel town of Volta Redonda and the industrial centre of Sao Paulo. Due to be completed by the end of 1978, construction will involve the cutting of 120 km of tunnels at a rate of 4 km a month and the building of 70 km of viaducts and bridges.

The line will have a maximum gradient of 1 per cent, and wide radius curves to permit trains to run at up to 130 km an hour. By

1979 the Belo Horizonte to Sao Paulo journey should take six hours where, at the moment, it takes 40 hours.

Although much of the rolling stock will be built in Brazil, orders have already been placed for 195 diesel electric locomotives in the United States, and it will not be possible for Brazil to manufacture the 1,500,000 tons of rails, the tunnelling, signalling, electrification and maintenance equipment in time, so there are opportunities for exporters. The size of the building programme is such, however, that by the time construction is complete, Brazil will have an excess of capacity and be a new competitor in search of markets.

Closures of lines with no prospect of profitability will affect 8,790 km of the present total of 30,294 km, while staff will be cut from 114,000 to 106,000 by 1980.

The switch in emphasis to rail from the dominant road sector has been brought about by the implications of the new stage of development beginning in Brazil. Her heavy industrial base is being built up, served notably by the steel expansion programme, which will increase production from the present eight million tons to 32 million tons by 1980.

There will be immense growth in the movement of other bulk products, notably oil, petrochemicals, fertilizer, cement and bauxite as well as increased quantities of agricultural products.

Brazil's rail programme will by no means mean an end of road building, but the tonnage now involved— to make a ton of steel three to four tons of raw materials are needed—makes rail the only viable means of transport. Plans were conceived

before the oil crisis, but have received added impetus because of it and it is unlikely that the prospect of Brazil becoming self-sufficient in oil soon will modify the plans or the decision to electrify.

Passenger capacity will be increased and efforts made to encourage use of the services. At the moment other than for journeys to Brazil in the biggest cities, Brazilians hardly think of rail as a means of travel. Few medium or long distance journeys are made by train. Urban lines will be modernized, with a planned movement of 396 million passengers by 1980, compared with 258 million now.

16,000 passengers an hour

The Sao Paulo State Railways, the only major system independent of the federal network, now carries 16,000 passengers an hour at rush periods and plans to carry 55,000 by 1980, with new inter-city routes established.

Emphasis remains predominantly within the Rio de Janeiro, Sao Paulo, Belo Horizonte, Victoria area. The zone which carried 74 per cent of traffic in 1973 will carry 80 per cent by 1980. There are schemes in other areas, notably the 700 km ore line linking the Serra de Carajas and the new Port of Itaquai. A total of 25 million tons of ore will be carried by 1980.

Other lines associated with the export corridors programme will be laid or improved to the new super-port of Rio Grande, to

Paranaguá, in Parana State, while São Sebastião, north of Santos, at present an oil port, may be developed for other bulk traffic.

In the north east, lines to Maracão, Recife and in the Salvador area will be built or improved to cope with fertilizer, petrochemicals, and sugar terminal projects.

The problems of the São Paulo to Santos cog and gear system have still not been solved, and constructor's trials continue long after the line should have been in full operation. The precariousness of the situation was illustrated in late November, when the old cable system was out of action for a couple of days after an accident and 1,200 trucks had to be hired to shift the rapidly accumulating freight. By chance, the accident occurred when there were lorries available; usually there is a shortage.

A key part of the expansion project is to recruit and train a far higher standard of staff than the present low-prestige system attracts and carry out a complete reorganization. It is recognized that without the proper administrative structure, the best engineered railway in the world cannot function efficiently.

An aggressive sales policy is envisaged and regional boards could include representatives of major users. Pricing is vital. At the moment Brazil's railways only earn 60 per cent of operating costs from revenues.

Demand by industry for an adequate railway system is strong, and planners are confident that when construction is completed, Brazil's railways will once again carry 35 to 40 per cent of the nation's freight.

Contracts signed for 45 new ships worth £250m

by Christopher Hayman editor, *Seatrade*

November 27 was an important day for Paulo Ferraz, chairman of the Companhia Comercio e Navegacao of Brazil. On that day he signed contracts for 45 ships, worth £250m, enough to give his shipyard virtually full employment from now until the beginning of 1980.

This package of ships, embracing three different designs and formidable by any standards, is entirely for Brazilian shipowners and represents CCN's allocation under the nation's latest shipbuilding plan, an ambitious undertaking which will add 150 ships to Brazil's merchant fleet, 95 per cent of them built in Brazilian yards.

Though the shipbuilding plan was announced several months ago, only a few of the contracts as yet have been finally agreed from a list which provides a successful blending of the domestic shipowners' needs and the capabilities of the yards. So far, apart from the CCN contracts, Ishikawajima Co. Ltd. has signed contracts to build very large crude carriers (VLCCs) for Petrobras, the state oil company, and that is all. However, the Government has indicated its intention of seeing the remainder of the contracts signed by the end of the year.

As Senhor Ferraz points out, the present fleet expansion plan is the most elaborate so far tackled by Brazil. In 1967 when the private shipowners were first given the opportunity to move out of their traditional role in the coastal trades and into international shipping, a scheme was launched for the construction of 24 ships of 12,000 tons for general cargo ocean-going traffic and a further 11 units of 5,100 tons for the coastal trades.

The whole programme amounted to 345,000 tons.

Because of the excellent results achieved, the Government decided to embark upon a second construction programme for the 1971-74 period, involving 1,600,000 tons of shipping, including general cargo ships, reefers and bulk carriers. A further 200,000 tons was added six months later. It is against this background that the latest programme for 1975-79, with its second national development plan, will be launched.

Clearly this will not leave much spare capacity in the yards for export building. CCN will be producing ships at the rate of 12 a year, so that over the four years there will be about three berths available for any interested foreign buyer. But as Senhor Ferraz says, it is important for the yards to develop ties overseas. The expansion of the domestic fleet will not go on for ever and a time will come when the yards, now investing quite heavily in new facilities to cope with the demands of their forthcoming domestic orders, will have to look outside the country for a steady supply of work. CCN already has experience in building for Greek, West German and Chilean owners.

The problem about exporting yards is that the Brazilian yards, whether CCN, Ishikawas, Emao, Caneco, Verolme Estaleiros Reunidos or Estaleiros SO, are all building ships at prices which are above, sometimes as much as 30 per cent above, the international price. A relatively high proportion of the components needed for the vessels have to be imported and some of the yards have not yet fine-tuned their production techniques to the optimum commercial level.

So far the Government has provided an attractive incentive scheme for export building, paying a differential subsidy to the builder enabling him to quote international prices for his ships. Finance is available to the foreign shipowner to the tune of 80 per cent of the actual price through Casex, the export agency of the Bank of Brazil, repayable over 15 years at an attractive rate. The builder also gets a number of tax credits and exemptions for their prices into line with export ship.



Senhor Ferraz, chairman of Companhia Comercio e Navegacao in front of an SD14 general cargo vessel under construction at a yard in Rio de Janeiro.

The Government is unlikely to continue this level of support for an unlimited period. But obviously Brazilian shipbuilders are determined to achieve a situation in which they will build ships at prices which are competitive in a world context.

One way of doing this is to concentrate on series production of a few designs. CCN will build over the next four years and in series 29 SD14 general cargo ships (under licence from Austin & Pickersgill, of the United Kingdom), 10 Prinsas 121 multipurpose cargo ships and 16 PRI-26/15 bulk carriers.

Another way is to reduce the amount of imported components used in the vessels. Much of the steel at present used in shipbuilding in Brazil is imported—CCN has contracts with the British Steel Corporation—but already a number of big items are manufactured in Brazil under licence. These include main engines and propellers. In August, a plant which will build Stone actual price through Casex, Manganese propellers under licence was opened by Princess Alexandra near Rio de Janeiro. In these ways, Brazilian builders feel they can do a great deal to bring their prices into line with the international level.

We'll fly you to Copacabana but when you get there remember the competition comes big.

There's a lot of competition here in Brazil. The airlines are competing for passengers and cargo. We'll fly you to Copacabana but when you get there remember the competition comes big.



COBEC brings together people that cannot live apart

To broaden its chain of warehouses and offices outside Brazil. Thus, to bring even more together those willing to buy to those willing to sell. That is COBEC's job. To join importer and exporter. Giving all support on international market businesses. Looking for suppliers and purchasers. Searching for prices. Performing on Commodities Exchange Markets in London, Chicago and New York. COBEC is all-around the world. In England - as COBEC UK Limited. In USA - as COBEC - Brazilian Trading & Warehousing Corp. of the U.S. with site in New York and branch in San Francisco. Plus Paris, Rotterdam, Canary Islands, Panama, Hamburg and Berlin. Make use of COBEC wherever you wish to import Brazilian goods. And display your products for sale in export to Brazil. Help COBEC company that makes easier exporters and importers business. Very modest fees on COBEC.

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PHOLDING THE LAW

Home Secretary has very early declined to intervene in case of the Shrewsbury...

is his way, Mr Jenkins has spanned his decision with a statement of the principles...

Eric Tomlinson and Mr Warren are in jail serving terms of two years and three months...

FEARS OF INDIA'S NORTHERN NEIGHBOURS

King of Bhutan will be apprehensive during his current visit to New Delhi...

Such arguments are not likely to allay fears in either Bhutan or Nepal...

It is true that where some indeterminacy of national status exists a conflict can easily arise...

HUNGER STRIKE IN GERMAN PRISONS

West German authorities are being faced with a problem which is wholly unrecognizable in British counterparts...

The fact is that these people are not charged with political offences and there is no evidence that they are being tortured in any real sense of the word...

PS and terrorism

Barney Trench in his editorial 'bishops and nuns' (December 10) fails to mention the fundamental point...

made. Persons working on the sites and residents near by were out in fear.

The grounds which are being put forward for clemency are of two kinds. It is being said that for various reasons there has been, if not a miscarriage, a misapplication of justice...

There is a fairly general uneasiness about the way conspiracy charges have been introduced and framed in recent years—an uneasiness, as it happens, which is shared by the Home Secretary...

Unesco's work and Israel

From Dr Eliezer Yafu Sir, I would like to clarify the issues raised in Mr Koffler's letter (December 16) concerning Unesco and Israel.

The past proceedings at the conference were very well reported in The Times on December 6, when your correspondent wrote: 'It is not enough for Unesco officials to argue that Israel can still attend on a limited basis as in the past...

It is a pity that the zeal shown by Unesco officials in defending the votes of its General Council members was not evident when desecration of holy places occurred in Jerusalem during Arab occupation...

Capital transfer tax

From Professor Sir Eric Scowen Sir, There is an urgent need for all charities to endeavour to persuade the Chancellor of the Exchequer to abandon his proposal in the Finance Bill to introduce a tax on gifts to charity where the donor survives for one year.

This innovation will not only deter generosity but the intention to aggregate such gifts and then to relate them to a rising scale for the purpose of taxation will actively discourage the many who have sponsored supported vital medical research in the past.

In only one respect is Mr Antonov correct. The succession of witnesses gave similar evidence. This, Sir, is indeed true—but not in the sense that Mr Antonov means it. In fact on the first three days of the trial, 18 out of the 19 witnesses gave evidence similar to that of Mr Guzhva...

Queen's English

From Mr R. P. H. Green Sir, It is rather pessimistic of Mr Millard (December 12) to say that 'Englishmen are seldom sufficiently fluent to select the apt noun in time to determine the correct pronunciation of its definite article when they utter it'...

Exception is also taken to the explicitly deterrent nature of the sentences. There is almost always room for argument about the appropriateness of any length of sentence; and there is a further argument as to whether deterrent sentences are in any circumstances fair...

They are not in jail for picketing, but for their connexion with picketing with violence and menaces. If the trade union movement collectively allows it to be supposed that it approves of that kind of conduct, it will be even less fit to be entrusted with the relaxations of the law of picketing it is attempting to extract from a reluctant Parliament...

Because the Indian influence had been the stronger in the country when the process began, Nepal's leaning towards China to right the balance seemed the more deliberate and therefore suspect in Indian eyes. By suggesting in recent months that it should open missions in London, Paris and Bonn, Bhutan has also been trying to fortify a limited independent status and this, too, has excited Indian suspicion...

Westminster Cathedral choir

From Miss Janet Baker and others Sir, It has lately become known that the choir of Westminster Cathedral is in danger of dissolution. This, it seems, has arisen for reasons that one can guess only too easily; the choirman's salary has become quite inadequate in view of the rise in the cost of living...

Public lending right funds direct from borrowings would be a safer bet for authors than a scheme based on taxation, which would also be a matter of justice. Public lending right should be financed by a charge on each book borrowed. This would be true at any time. It is the more necessary now when our schools, hospitals and libraries are competing desperately for scarce public funds.

The trial of Dr Shtern

From Mr Michael Sherbourne Sir, On December 14 you published an unsigned report from the Soviet news agency Nost on the trial of Dr Mikhail Shtern. You go on to say that 'the veracity of this report cannot be checked'.

Consider the fact that Mr Antonov claims to be writing from the court house in Vinnitsa. I find it rather strange that he makes no mention of the fact that at the very opening of the trial Dr Shtern challenged the presence of the man responsible for the medical expertise—Professor Kutchuk—on the following grounds:

1. Professor Kutchuk is a convicted anti-semite; 2. Professor Kutchuk is not an endocrinologist; 3. In Shtern's own words 'Professor Kutchuk is an ignoramus and the holding of an academic degree does not necessarily signify any degree of academic attainment or erudition'.

Mr Antonov says that 'on the opening day of the trial the court heard the evidence of about ten witnesses' and he quotes at great length Mr Semyon Guzhva. In fact on the opening day, December 11, the court heard seven witnesses, of whom six, including Mr Guzhva, actually withdrew the testimony they had given at the preliminary investigation.

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LETTERS TO THE EDITOR

Basis for public lending right

From the Secretary of the Library Association Sir, Your leader of December 12 rightly emphasizes the need to have regard to principle in framing legislation to introduce a public lending right. The working party which reported to Lord Eccles in 1972 on this question found it necessary to establish the principle on which the proposed right could be based as one of 'use unaccompanied by ownership'...

It was also apparent that the proposed right could not, in equity, be limited to books but would also in principle apply to non-book materials including sound recordings, printed music, video recordings, and artistic works. It is difficult to see how any proposed legislation is borrowed (best-seller writers will pay proportionately more in taxes). But PLR will be correcting a situation where, at present, there is no recompense whatsoever, however many times a copy of a book is borrowed from libraries...

From Mr Douglas Hurd, Conservative MP for Oxon, Mid, and Mr Nigel Lawson, Conservative MP for Blaby Sir, The authors have made their case over and over again, and we are convinced. They are maltreated. They deserve to be rewarded when people borrow their books from public libraries.

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Export market for bloodstock

From Lieutenant Colonel R. H. W. S. Hastings Sir, In the past few days we have been told of the parlous state of Britain's balance of payments situation, due in part to excessive exports by many millions of pounds. The bloodstock industry—the breeding and sale of thoroughbred horses—bears no share of the blame for this state of affairs.

Last week at the Newmarket December Sales my company the British Bloodstock Agency bought bloodstock at a total of £1,290,000 of which 90 per cent was for foreign clients from 24 countries, including two from behind the iron curtain, to be paid for from external funds. No doubt Messrs Tattersalls, the auctioneers, will be able to confirm that this represents a true cross-section of their trade last week. This year it was noticeable that an exceptionally large number of foreigners travelled themselves to Newmarket. Drawn to Britain solely by the attraction of thoroughbred horse racing, they certainly spent a great deal of money, incidentally, in travelling, accommodation and various purchases. The hotels, taxi proprietors, saddlers, shops and clothing stores in the neighbourhood of Newmarket will bear the brunt of the ripple effect of their arrival; for few South American wives would endure a week at Newmarket without the promise of a substantial reward in London.

The bloodstock industry surely played its part in attracting foreign currency to the tune of over £4,000,000 in one week. In the short term, this was an excellent thing for breeders and the Exchequer. In the longer term, the loss of too many good horses abroad will weaken our export market and affect horse racing from which the industry derives some £100,000,000 a year.

Bloodstock breeding, whether you like it or not, is an industry and one with a significant export market. If it is to continue to contribute, our racing must be in a healthy state. It is also necessary for breeders to be able to replace their stock. There seems to be three immediate steps which could be taken without difficulty and without a conflict with other interests.

Firstly, the present incidence of VAT and import tax should be altered to come in line with other countries particularly Ireland and France. What is the good of a Common Market, if there is discrimination against ourselves?

Secondly, if the government wish to continue to draw £1,000,000 a year from betting, they will have to allow the racing industry a larger proportion of the 'take' as is done in other countries. If not, racing will decline and the proceeds of the betting tax will hit.

Thirdly, some form of tax structure should be devised, perhaps on a sliding scale, which will allow breeders to replace their stock from the racecourse, when they have sold abroad. No industry can survive without injection of fresh capital and the opportunity to bring up to date its machinery. In this case, breeders will have to be helped.

The French and the Irish understand the importance of their bloodstock industries. It is time that we did too.

Yours faithfully, R. H. W. S. HASTINGS, Chairman and Managing Director, British Bloodstock Agency, 26 Charing Cross Road, WC2, December 16

Dyslexic children

From the Chairman of the British Dyslexia Association Sir, Caroline Moorehead's interesting article (December 9) poses at its end the question 'Why should dyslexic children have preference over other children with other reading difficulties?' The question that should surely be posed is: 'Why are not all backward readers adequately taught—each according to their need and their disability?'

The need of the dyslexic is differentiation from other backward readers, and must be assessed and then dealt with in a manner that is appropriate to their disability. Comment is needed, too, on Caroline Moorehead's passage intimating that dyslexia is a middle class excuse to avoid labelling their children backward. Dyslexia, in common with other disabilities, knows no social boundaries, real or imagined. The credit goes to those who are bringing it to the notice of the population at large and clamouring that it should be acknowledged and dealt with within our educational system.

Once dealt with, a larger proportion of our school leavers will be of value to the community instead of running the risk, through no fault of their own, of being a liability. Yours faithfully, RADNOR, Chairman, British Dyslexia Association, 18 The Circus, Bath, Avon, December 10.

Inside a Dalek

From Mr Terrance Dicks Sir, On a point of Dalek scholarship, may I take exception to one small part of your criticism of Mr Irving Wardle's otherwise kind review of my play Dr Who and the Daleks at the Adelphi?

Mr Wardle chides me for assuming that the outer casing of a Dalek conceals a living creature. Yet such is, in fact, the case. The Daleks are not, and never have been, any kind of robot—a fact clearly established on television many times, since the Daleks were created by Terry Nation well over ten years ago. The demonstration of this in every Dalek story is, in itself, one of the inflexible 'Dr Who' rules to which Mr Wardle himself refers at the beginning of his review.

In the hope that you will permit me to explicate this minor inaccuracy, I am, Yours faithfully, TERRANCE DICKS, 11 South Hill Park, NW3, December 17.



COURT CIRCULAR

BUCKINGHAM PALACE December 19: His Excellency Señor Don Manuel Escalante-Durán...

His Excellency Mr Mohammad Reza Amirteymour was received in audience by Her Majesty...

25 years ago From The Times of Tuesday, December 20, 1949 City garlands A somewhat Falstaffian company...

appointment as Ambassador Extraordinary and Plenipotentiary from Austria to the Court of St James'

KENSINGTON PALACE December 19: The Princess Margaret, Countess of Snowdon was present this afternoon at a Gala Madras...

THATCHED HOUSE LODGE RICHMOND PARK December 19: Princess Alexandra, Vice-President of the British Red Cross Society...

Circuit judges Mr J. R. Macgregor, Mr R. J. H. Collins and Mr George Milner are to be made circuit judges...

Forthcoming marriages

Mr C. C. Nicholson and Mrs N. H. Anstruther-Gough-Calthorpe The engagement is announced between Charles, elder son of Sir John and Lady Nicholson...

Mr T. C. S. Bonas and Miss J. A. Graham The engagement is announced between Tom, son of Mr and Mrs T. Bonas...

Mr J. A. Foreman and Mrs E. Harvey The engagement is announced between John Foreman, of 33 rue Bragança, Luxembourg...

Mr P. S. Harford and Miss P. J. Burnett The engagement is announced between Peter Harford, of 11 Windsor Court, Clifton, Bristol...

Mr J. R. Harrison, RE and Miss S. A. Gregory The engagement is announced between Jeremy, only son of Mr J. R. Harrison, of 70a Dorset Road, Wimbledon...

Mr W. J. Hogg and Miss A. G. Hepburn The engagement is announced between William John, son of Mr and Mrs Peter Hogg, of Sevenoaks, Kent...

Mr K. I. Meldrum and Miss E. H. Mayo The engagement is announced between Kim, only son of the late Dr K. Meldrum and Mrs M. Mayo...

Mr J. Morton and Miss J. M. Merrick The engagement is announced between John, elder son of the late W. L. Morton, OBE, and Mrs D. E. Bates...

Dr D. J. Moul and Dr C. de H. Greenwood The engagement is announced between Dennis, only son of the late Dr D. J. Moul and Mrs Moul...

Mr D. G. Pamphrey and Miss A. J. Berkeley The marriage has been arranged and will shortly take place between David Cairnie, elder son of Mr and Mrs W. I. Pamphrey...

Mr M. E. Scott and Miss T. Ivan Jones The engagement is announced between Michael, younger son of Mr and Mrs J. B. Scott...

Mr J. W. Wilson and Miss S. J. Coomes The engagement is announced between John Wenden Wilson and Simone Jennifer Coomes...

Mr R. L. Yorks and Miss S. E. Stevens The engagement is announced between Christopher Lefroy, only son of Mr George L. Yorks...

Baron Home of the Hirsell The life barony conferred on Sir Alec Douglas-Home has been gazetted by the name, style and title of Baron Home of the Hirsell...

Birthdays today Sir George Coldstream, QC, 67; Sir Geoffrey Howe, QC, MP, 48; Sir Geoffrey Kitchin, 63...

University news New principal of London University Dr Francis Wilson, Warden of Goldsmiths College...



Earl Mountbatten of Burma with Mr John Doubleday, the sculptor, and the bust which was presented to him at HMS Mercury, near Petersfield, Hampshire, yesterday, to honour his 50 years' service in naval communications.

Luncheon

Corporation of London The Corporation of London gave a luncheon at the Mansion House for 54.725 persons...

Dinners The Prime Minister and Mrs Wilson were hosts at a dinner at 10 Downing Street yesterday in honour of the Prime Minister of Australia...

Turners' Company The Lord Mayor and Sheriffs were guests of honour at a lively dinner, held in the Apothecaries' Hall last night in honour of the Master and Wardens of the Company of Turners...

Marriages Mr J. Langton-Loxton and Lady Emma Howard The marriage took place on December 14 at Lanercost Priory, Cumberland...

Mr J. S. Coorah and Mrs E. Palmer The marriage took place in London on December 19, 1974, between Mr Jeffrey Coorah, son of Mr and Mrs Simon Coorah...

Mr R. G. Hawley and Miss A. V. S. Durand The marriage took place yesterday of Mr Richard George Hawley, son of the late Mr R. G. Hawley and Mrs Hawley, of Devonshire...

Mr J. C. Stickings and Miss J. Ibbott The marriage took place on Thursday, December 19, at Harrow, Middlesex, of Mr Jeremy Charles Stickings, elder son of Mrs Agnes Stickings and the late Dr C. Ewart Stickings...

Mr J. W. Wilson and Miss S. J. Coomes The engagement is announced between John Wenden Wilson and Simone Jennifer Coomes...

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A wreath and a plea for the promised village

By Philip Howard A tug-of-war that has been going on for 21 years over one of the most beautiful pieces of cliff scenery in England was given another small push yesterday...

Harpisichord with Handel link makes £4,725 By Geraldine Norman Sale Room Correspondent A harpsichord yesterday sold a single manual harpsichord by Barakat Shudi and John Broadwood...

Ministry advice to farmers on other land uses By Our Agricultural Correspondent The Government decided yesterday to appoint nine full-time advisers to give farmers free advice about ways to make money from their land without farming it...

Today's engagements Exhibition: Winslow Homer, watercolours and drawings, Victoria and Albert Museum, Cromwell Road, ESW2 3NP, Dec 20-22. The Queen's Life Guard mounting ceremony, Horse Guards, Whitehall, 11.

Latest pamphlets Church music need not be limited to the organ English Church Music 1974. The need for creativity in church music is discussed in one of the articles in this latest edition of this annual publication...

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OBITUARY

MR THOMAS JAMIESON

International refugee work

Mr Thomas Jamieson, CBE, one of the best-known figures in post-war international refugee work, died in Geneva on December 18, aged 63.

"Jamieson" was known to everyone, served from 1959 until his retirement in 1972 as director of operations for the United Nations High Commission for Refugees (UNHCR).

Under this, about 180,000 Sudanese refugees were repatriated from neighbouring countries and a start was made on reconstruction work after 17 years of civil strife.

He was born and educated in Glasgow. His interest in refugee problems, he said earlier this year, dated from the period during the Second World War, when he was national youth secretary of the Scottish YMCA in Edinburgh.

In 1945, he joined the United Nations Relief and Rehabilitation Administration (UNRRA) in Germany, continuing with its successor body, the International Refugee Organisation. In 1952, he was appointed joint representative of UNHCR and ICEM (International Governmental Committee for European Migration) in Hong Kong.

He was afterwards with United Nations Korean Reconstruction Agency. In 1956, he became director of operations of UNRWA in Beirut, remaining there until he joined UNHCR.

It was under his guidance that the camp clearance drive in Europe was carried through to a successful conclusion in early 1960s and the response to appeals for assistance from countries in Africa was organized. In the next decade, UNHCR handled a succession of programmes in many parts of the world.

He was president successively of the Department of Agriculture, Tourism, Harbours and Airport, Defence and, finally, Postal Administration. He was in a very real sense the island legislature's senior member.

He had travelled widely and was a well known and much loved personality. He rendered signal service to the Commonwealth Parliamentary Association both as vice-president of the Jersey branch and as a councillor for the United Kingdom and Mediterranean Region.

He attended five Commonwealth Parliamentary Conferences and, earlier this year, a meeting of the association's active committee in West Samoa. He was very distinct in person and remarkable in his warm and affable nature and he will be remembered by many Commonwealth parliamentarians and countries as a friend and wise counsellor.

DR A. G. ROBIETTE Mr J. O. Hitchcock writes:— Dr Robiette, who died on December 4, was one of the country's outstanding metallurgists. His contribution to the science of electric melting and electric smelting over many years, largely in a consulting capacity, has been recognized throughout the world.

SIR MORRIS FINER Professor Ralf Dahren writes:— The news of Sir Morris Finer's untimely death came as a shock to his many friends at the London School of Economics. As you say in your obituary he was a student of LSE from 1936 to 1939, when he was also president of Students' Union. In 1954 he became a member of the Order of Governors which elected him vice-chairman in 1970.

DOWAGER LADY ST DAVIDS The Dowager Viscountess St Davids, widow of the first Viscount St Davids, PC, GBE, sometime MP for Lanark and Penbrookshire, died on December 12 at the age of 90.

MR T. R. HENN On rare occasions a fort bearer could persuade Henn to read, or rather his own poetry. No one conveyed the mysterious and thus evoked Confucian aspect of the poet. Mr Henn and his wife found all in life. Tom's poetry took one up to a high place which everything became more demanding of content than one had guessed effect was of an epiphany.

Mr W. Keir Robertson Oakescott, CMG, from 1971 Assistant Under-Secretary of State, Foreign and Commonwealth Office, died on Sunday. He was 54.

Cyril Bainbridge The ninth Duke of Roxburghe left £2,582,394. He was, formerly Lord Bowman, one of the family estates on his 70th birthday and the income from them when he is 21, in about a year's time.

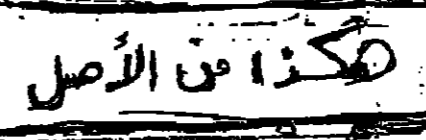
Other estates include (net, before duty paid; further duty may be payable on some estates): Griffith, Mr Thomas Ernest Alexander, of Fife, Yorkshire (duty paid, £42,517) £106,714 McFayvan, Sir Andrew, of St John's Wood, London (duty paid, £74,978) Wakefield, Mr Ernest Thomas, of Worcester (duty paid, £35,438)

Wickham, Mr George Henry of Longwick, Buckinghamshire (duty paid, £5,638) £139,561 Wilkinson, Violet Appin, of Ness Hill, London (duty paid, £28,823) £95,105

Advertisement for Population Count Down, featuring a photo of a young boy and text about population growth and food shortages.

Advertisement for Tungs rent a colour portable TV, with text 'Who says you can't rent a colour portable TV?' and contact information.

Advertisement for FITZWILLIAMS, featuring a logo and contact details.



LAINC

LOCAL OR NATIONAL CONSTRUCTION SERVICE

THE TIMES BUSINESS NEWS

Lovell

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Shah of Iran says oil producers will retaliate if gold is revalued by west

Tehran, Thursday.—The Shah of Iran said today an upward revaluation of gold holdings by western powers could end the nine-month freeze in oil prices and bring about the collapse of the world monetary system.

Higher export prices undermine UK trade

Melvyn Westlake, Economics Staff. Inflation in Britain is pushing up export prices at an alarming rate.

TERMS OF TRADE

The following are the unit value index numbers for visible trade (not seasonally adjusted) issued by the Department of Trade yesterday:

Table with columns for Year, Exports, Imports, and Terms of Trade. Data points for 1971-1974 Q4.

Export unit index as a percentage of import unit index. Provisional.

It is clear that Britain is in a tough fight in selling seas. This may be partly result of the worldwide slump in industrial production and personal consumption.

Export controls tighten on metal outflows

London, Dec 19.—The Swiss National Bank said that in all capital exports must be entered into foreign currency with the national bank.

Anglo-Thai bid called off by Inchcape

By Peter Wainwright. Inchcape has decided not to bid for fellow Far Eastern trader, Anglo-Thai Corporation.

New tariffs will boost BSC income by £300m

By Peter Hill. Price increases which will boost the British Steel Corporation's income by about £300m or 20 per cent will be implemented on January 2.

Government controls on wholesale bread price

By Hugh Clayton. The Government took action last night to extend its controls on bread to wholesale prices.

State to take 30pc stake in oilfield if development financing fails

By Roger Vielvoe. If two small companies fail to raise their £70m share of the development costs of the Thistle North Sea oilfield the Government will take over their 30 per cent stake.

Kwik Save ex-chairman criticized

By Margaret Drummond. Inspectors appointed by the Department of Trade to investigate the sale of Kwik Save to the Government have criticized the former chairman.

EEC ministers back Healey oil dollars plan

From Roger Berthoud, Brussels, Dec 19. Following a line long advocated by Mr Healey, finance ministers of the Nine today plumped for the IMF as the prime vehicle for recycling surplus petrodollars.

Fibreglass to build £19m Welsh plant

By Edward Townsend. Fibreglass, subsidiary of the Pilkington glass group, is to build a new plant in South Wales, but the development will result in the loss of more than 200 Pilkington jobs in the area.

EEC plan to fund nuclear stations

Brussels, Dec 19.—A scheme to borrow up to 500m units of account (about £190m) to help finance nuclear power stations in the EEC is to be put to the nine member governments.

Bonn cuts Lombard rate

Frankfurt, Dec 19.—West German Bank and Lombard rates will be lowered one half point to six per cent and eight per cent respectively from today.

Dispute stops release of employment figures

Because of industrial action in local offices of the Employment Service Agency, figures for employment for December were not available yesterday as scheduled.

Benn aid to IPD may spark big row

By Malcolm Brown. A political row is expected to erupt today over the proposal by Mr Benn Secretary of State for Industry to offer £3.9m aid to the IPD (Industrial) cooperative.

\$100m Chile settlement

Santiago, Dec 19.—Chile, it was reported yesterday, was ready to pay International Telephone and Telegraph Corporation some \$100m (about £43m) for its expropriated investments in the country's most important telephone utility.

How the markets moved

Table showing market movements for various commodities like Rises, Falls, Equities, and Gold.

THE POUND

Table showing exchange rates for various countries like Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hongkong, Italy, Japan, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, US, Yugoslavia.

The Times index: 65.63 +0.60 FT index: 163.3 +2.2

On other pages

Table listing other pages: Appointments vacant, Business Diary, Financial Editor, Financial news, Letters, Market reports, Share prices, Unit Trust prices, Wall Street, Bank Base Rates Table.

Company Meeting Reports

Table listing company meeting reports: Bass Charrington, Brycoort Investments, The Cameron Group, David Charles, Mitchell Cotts Group, Harland and Wolff, Industrial Development, Authority of Ireland, Jessups (Holdings), Lake & Elliott.

Herbert Smith

Table listing other reports: Yorkshire & Lancashire Investment Trust, Interim Statement, Unigate, Company Notices, Anglo American Corporation of South Africa, Charter Consolidated, De Beers Consolidated Mines 20.

Advertisement for Standard and Chartered Bank: 'How Standard and Chartered help you develop your business overseas'.

Nowadays the proper development of opportunities overseas may be vital to the profitability of your company. And, to help you to the full, you will almost certainly need a bank that offers more than just a conventional service.

Standard and Chartered BANKING GROUP LIMITED helps you throughout the world. 10 Clements Lane, London EC4N 7AB.

BY THE FINANCIAL EDITOR

Rents: half an answer for the banks

There should be a sigh of relief from the banking system after the announcement that the commercial rent freeze is to be discarded entirely in the new year. But the relief should be tempered by the knowledge that this is only a partial answer to the banking system's problems...

Bowers' products, and has come up with results for the half-year to end-September which are very much in line with expectations. True, the 8.2 per cent decline pre-tax is after taking in a credit of £536,000 on retrospective margin awards...

There was no forecast about the outcome for the full year. The summer months are traditionally the high profit earners, and there are several explanations for the setback. Continuing bottle shortages, exacerbated by the growth of the home-brewing industry...

Over the past few weeks there has been an unrelenting, almost uncanny silence from Whitehall about the British Steel Corporation's plans for implementing a large increase in list prices from the beginning of next year.

At a meeting between Lord Bewick, the industry's sponsoring minister, and Dr Monty Finniston, the BSC chairman, on Wednesday, senior officials from BSC traveled to Brussels to plead a case for the increases to be implemented from January 1.

social contract the state steel undertaking agreed not to increase prices again in 1974 after the March increase, unless there was an unexpected rise in the cost of imported raw materials.



Dr. Monty Finniston, BSC chairman: need to cover a big surge in costs.

At the half-year the BSC was only just managing to break even financially and against the background of the market downturn the prospects for building up exports in the first quarter of next year are not bright.

With demand falling away Dr. Finniston has been confident that there would not be a vicious price-cutting battle, but rather a steady state of affairs.

BSC's case for raising its prices

The British Government technically has no power over the BSC's pricing policies, since under the rules of the European Coal and Steel Community, the corporation has complete freedom of movement in this area.

United Kingdom scrap prices, however, are now not far out of line with those elsewhere in Europe where prices are now easing back significantly.

What then are the cost pressures through which the BSC has sought to justify its increases? Scrap, which in the early part of the year was a major constraint on production, has risen in price by some 60 per cent since April.

The EEC transitional period for "ferrous scrap ends early in the new year and this will enable United Kingdom scrap processors to engage in free trade with EEC countries.

Stenhouse Dominion's drain

It was clear that extraordinary losses arising out of the disposal of Dominion Buildings would more than exceed Stenhouse's earnings and that the final dividend could have been in danger.

Retraset Returning to earth

One-time high flier Retraset has returned to earth. At the turn of the year the shares were 95p, supported by a 119 per cent rise in 1972-73 profits.

Letraset

Both good news and bad news emerged this week from the research department of the Central Electricity Generating Board.

Using the tides to generate electricity

dividend into two basins, one at a higher water level than the other. Water flows into the high basin as the tide comes in and out of the low basin as the tide goes out.

Kenneth Owen discusses the results of a fresh assessment by the CEGB

Computer programs were recently produced by CEGB scientists to simulate the performance of different Severn barrage designs.

IDA Ireland sets new records for industrial expansion

Overseas companies made a record level of investment in industrial projects in Ireland during the twelve months ended March, 1974.

Business Diary: Publish and be in demand • Steel for Iran

About six in 10 of the diaries produced are for sale in shops and the rest are bought by firms or associations as gifts or for resale.

Compensation

Mrs Edwina Coven, whose two attempts to become the City's first woman Alderman failed with her re-election by the court of Aldermen, has won a modest compensation.

Expanding

Warren Hutchins has presided over the International department of Citicorp International Bank since its formation about two years ago.

On the move

The British Steel Corporation is sending Kenneth Lewis out to Tehran to head the Iranian subsidiary of BSC (International), the corporation's umbrella company which looks after its overseas operations.

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area of the Christmas industry not to suffer from the usual thriffling of the diary business, according to Denis Myers, a man who should know.

ers is chairman of the Publishers' Association and a director of diary publishers Charles Letts and Co, produced their first dated commercial diary in 1912.

rolling mill in partnership with Iranian investors from both the public and the private sectors. Apart from this project the BSC has been participating in feasibility studies which could lead to its becoming involved in an even more ambitious steel-works scheme in Iran.

reducing its dependence on brokerage income. For Hutchins, who is from South Carolina, it will mean more independence than he knew at Citicorp and the opportunity to build up an operation almost from scratch.

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IDA Ireland Industrial Development Authority advertisement. Republic of Ireland sets new records for industrial expansion. Overseas companies made a record level of investment in industrial projects in Ireland during the twelve months ended March, 1974.

Harland and Wolff, Limited

The Annual General Meeting was held in Belfast on 19th December, 1974. The following is the statement by the Chairman, Viscount Rochdale, O.B.E., T.D., D.L., circulated to shareholders with the Annual Report for the year ended 31st December, 1973.

I regret that the publication of the accounts for the twelve months to 31st December, 1973, and the holding of the annual general meeting have had to be delayed. The reasons are not far to look for and will be clear from what follows.

Discussions with Government

In my last annual statement of 19th April 1973, I referred to various setbacks which had befallen the Company during 1972 and the first half of 1973 and in particular the labour dispute and its potential consequences. Again I made reference to that in my interim statement of 14th January 1974. The effect of this dispute coupled with the associated limitation on recruitment and training, which was one of the more serious consequences and which persisted until August, 1974, was to keep production down to an unacceptably low level, completely disrupting our shipbuilding programme. To illustrate, the tonnes of steel prepared during 1973 were no more than two-thirds of what had been achieved during 1972.

Throughout this period the Company was still unable, under current counter-inflation legislation, to negotiate freely with its employees so that a tense situation grew steadily worse. Slippage of the shipbuilding programme continued; one important consequence of this has been to delay the completion of the programme so as to take it progressively into later years where costs will inevitably be higher because of continuing inflation. It is this situation which largely explains the need for the massive provisions I refer to later under the heading of Accounts.

The possibility of this adverse deterioration and its financial effect had been foreseen early in 1973, but by the summer of that year it had become all too obvious. Discussions were therefore opened with the then Government, resulting in a promise of assistance; this was announced in the House of Commons on 19th November, 1973 and later referred to in my interim statement to stockholders of 14th January, 1974. Financial discussions continued but as they proceeded it was proving increasingly difficult to reach agreement on certain technical financial problems, and with the advent of the February general election discussions came to a standstill.

Discussions with the new Government were re-opened at the end of March. By then it had become clear that the assumptions about future productivity underlying the earlier financial forecasts needed to be looked at afresh and immediate steps were taken to prepare a new assessment of the current position and future prospects; I referred to this in my statement to stockholders on 25th July, 1974.

Meanwhile the situation continued to deteriorate and your board was advised that it was becoming in serious danger of being unable legally to continue to trade. Further urgent discussions with the Government followed during the late spring and early summer which resulted in the Company receiving written assurances of additional Government support. I referred to this also in my statement of 25th July, 1974.

Government Project Team

As a means of ascertaining the amount and timing of assistance required and the method by which it should be injected into the Company, the Government appointed a project team headed by Mr. W. G. Downey, C.B., F.C.A., a senior civil servant, with whom the Company is now in close and detailed discussion.

These discussions involve examination of overhead costs in relation to current and projected output, projected capital expenditure, reassessment of our current shipyard order book, availability of labour which has emerged as a very real and unexpected problem and, most important of all, future productivity and production. Bearing in mind that these considerations have to cover a period as far ahead as 1978, there remain, inevitably, several imponderables which cannot immediately be resolved. However, as stated in note 4 forming part of the accounts, your directors have made the best assessments presently possible and as you will see provision for losses has been made on this basis.

The timetable on which we are at present working envisages our being able to reach agreement with the Government around the end of this year as to the extent and form of finance required. Stockholders will be informed as to developments.

Board Membership

It was announced on 5th August, 1974 that Mr. Iver Hoppe had ceased to be managing director. As an interim measure and pending the appointment of a successor, an executive committee of the board was immediately established with the approval of the Government to carry on the function of managing director. This committee consists of my deputy chairman, Mr. J. A. Watt, as its chairman, together with the three assistant managing directors, Mr. D. L. Cooper (finance), Mr. E. Hallstrom (facilities) and Mr. R. S. Punt (ship production).

In August, 1974 Mr. D. C. Tinkler, who joined the Company a year ago, was appointed to the board as personnel director with responsibilities for all aspects of the personnel function including employee relations, training and manpower planning. I am confident that this appointment will go far towards obtaining substantial improvements in the area of industrial relations.

Industrial Relations

Following the repeal of the pay code at the end of July, we have entered into wage discussions with various sections of our labour force. These discussions are aimed at establishing agreements which, in addition to improving morale, will lead to the achievement of higher levels of performance. At the time of writing the first of such agreements has been reached with the steelworkers and gives higher earnings as a direct consequence of achieving defined higher levels of productivity. Both the content of the agreement and the manner in which it was negotiated gives confidence that it will be successful.

Much progress has also been made during 1974 in strengthening all the formal and informal procedures in the area of internal communication,

consultation and co-operation. In this we have had very much in mind the need to establish genuine employee participation as a basis for a united sense of purpose; without such a united sense no company can expect to succeed.

Shipyard Order Book and Production

Two further valuable ship orders have been obtained since the previous annual general meeting; these represent the first steps in introducing a new line of 86,000 tonne products carriers to supplement Very Large Crude Carriers (VLCCs) for which there is worldwide lack of interest and potential orders. I sincerely hope that once a resolution of our production difficulties is in sight so that our ship delivery programme can be clarified, the present temporary ban imposed by the Government on new ship orders will be lifted, thus enabling us to go ahead to secure further orders for this new line of ships.

Engine and Electrical Works

The engine works, under the direction of Mr. L. G. Curran, are having an active time. Some important items of new equipment have been installed and a new boiler shop is under construction. At the same time we have been able to secure several important orders for main diesel engines from a variety of other shipbuilders, both at home and overseas. These, combined with a successful drive to develop sales of spare gear and other engine parts, as well as some new related products, encourages me as to the future of this department. Indeed, today the department, after bearing its full share of overheads has reached a point of break-even and is ahead of its delivery programme.

Ship Repairs

As mentioned in my interim statement of 14th January, 1974, the Southampton ship repair works were disposed of to Vosper Thornycroft Ltd. in Belfast, for the reasons indicated last year, ship repair work has continued at a minimum though profitable level. However, this level is currently being reconsidered with a view to modest expansion within the limits of labour availability.

Accounts

Turning now to the accounts, I have already referred to note 4 to the accounts and to the difficulty of assessing the correct provision for future losses. On the best estimates which it has so far been possible to make, the net increase required on these provisions is £28,528,000 and it is to this which I would particularly draw your attention. This figure assumes certain increases in productivity and production; whether they are achieved or perhaps improved upon will depend on the efforts of both management and workforce.

I would also draw your attention to the negative net asset position shown in the balance sheet. As explained in note 1 however, the Government was prepared for the time being to guarantee the liabilities of the company pending completion of arrangements for the provision of further financial support thus enabling the Company to continue to carry on its business.

The Future

Against the foregoing background, the seriousness of which I must in no way minimise, it is difficult to predict the future. Certain facts can however be stated. In the shipyard there have been many delays in the construction of the P200 facilities, but they are now on their way to completion and by the end of 1975 should result in one of the most modern and best equipped shipyards in Europe, if not in the world; at the same time most of our new systems for planning, work preparation, production and quality control, and materials control, should be fully tested and operational. Subject then to a satisfactory outcome to the detailed financial arrangements with Government, there will remain three vital considerations. As to the first—the local political background—I will not comment, but it cannot be forgotten. As to the second—inflation—it hardly needs me to underline that any of our calculations can so easily be further undermined by this canker. As to the third—the human dimension—this is, as everywhere, of over-riding importance. It represents a challenge to every single man and woman in the company from the chairman down to the latest recruit.

During the meeting Lord Rochdale said:

"Since my statement was issued to members there have been two important developments to which I wish to refer.

You will have seen the Company's recent press announcement regarding the cancellation of the contracts for three of the six 333,000 tonne VLCCs ordered by Assamexp Transport S.A. in association with the Maritime Fruit Carriers Group.

Early in the Summer of this year the need to carry out an urgent review of our current shipyard order book was recognised. This review was referred to by the Minister of State, Mr. Stanley Orme, in the House of Commons on the 22nd July, 1974. The need derived from the shipbuilding programme slippage which was due in the main to the adverse effects of the prolonged industrial disputes referred to in my statement.

The review indicated that owing to the cumulative effects of this dispute, the low level of production which followed and the need to plan future production on a workforce limited to about its present size, the Company would be unable to meet its contractual obligations in respect of the delivery dates for the six VLCCs ordered by the M.F.C. Group. The Group was accordingly approached and as a result of negotiations the cancellation of three of the six contracts was agreed. I would like to pay tribute to the understanding with which the Group approached a difficult problem.

The cancellations have strengthened rather than weakened our position. They have relieved the production "log jam" and will improve the delivery position of the remaining three vessels ordered by the Group. Our revised shipbuilding programme gives realistic recognition to the limitations in manpower recruitment imposed by the local labour situation. All our efforts will now be directed to the improvement of productivity and production and to the more effective use of all our existing resources.

As regards the second development, I am pleased to be able to report the recent receipt of an order from Hyundai Shipbuilding and Heavy Industries Company Limited, of South Korea, for seven H and W-B and W 8K74EF type marine diesel engines. This important order, which is the largest gained so far by the company for the supply of engines to another shipbuilder, is worth over £8 million."

The Directors' Report and Audited Statement of Accounts for the year ended 31st December, 1973 were adopted, and the retiring Directors, The Viscount Rochdale, Mr. J. A. Watt, Mr. L. G. Curran and Mr. D. C. Tinkler were re-elected.

FINANCIAL NEWS AND MARKET REPORTS

Eng Property slump 47pc at halfway but better times ahead

By David Mott.

Blaming higher interest rates, the rent freeze and adverse legislation for a 47 per cent decline in taxable profits to £916,000 pre-tax over the six months to April 30, English Property Corporation expects an "early return to better profits. The factors underpinning this confidence are a restructuring of the property investment portfolio, better market conditions, some mitigation of the rent freeze and falling rates of interest. Over the full period to October 31 about £25m worth of United Kingdom properties were disposed of, and the proceeds more than covered development expenditure in this country. The disposals have shown an aggregate surplus and have produced an annual net saving in interest payments of about £2m.

Latest dividends

Table with columns: Company, Dividend, Date, etc. Includes entries for S. & W. Berisford (25p) Fin, Eng Property (50p) Int, etc.

GENERAL ELECTRIC

Company intends to offer to ordinary shareholders the choice of receiving shares of equivalent value in lieu of the proposed interim cash dividend of 1.5p a share. This will be on the basis of 30.426 new shares for every 1,000 shares held.

BLUEBEL

The board has reduced the gross dividend from 4.81p to 3.43p because of effect of increased costs and pressure on margins in the year to September 28. Taxable profits cut from £283,000 to £204,000, on turnover up from £2.8m to £3.2m. Earnings, 4.26p (7.64p).

BAGGERIDGE BRICK

Facile profits for 1973-74 cut from £44,000 to £20,000. Earnings a share, 3.76p (6.02p). Dividend raised from 2.36p to 2.67p.

BROOKE BOND PURCHASE

For £250,000 12 per cent convertible debentures and about £50,000 cash Brooke Bond Liebig is acquiring the Bateson & Payne insurance broking group.

Wall Street

New York, Dec 19.—Falling to muster enough support to keep the upward trend of the past two days going, the New York stock market closed mixed in moderate trading.

Table of stock market data including Dow Jones Industrial Average, various stock prices, and Canadian prices.

Silver up 6.50c after 3c retreat. New York, Dec 19.—COMEX SILVER rose 6.50 cents from last levels of 50.00 cents to 56.50 cents.

The Dow Jones spot commodity index down 0.05 to 580.70. The futures contract up 0.05 to 580.70. The Dow Jones averages—Industrial 604.43 (603.49); transportation 60.43 (60.43); financial 39.22 (39.38).

Stock markets

Rent thaw hoists property shares

The equity market continued to move forward yesterday, although the trend became confused during late dealings, as the City assessed the implications of two major factors. Reports that the Shah of Iran had threatened higher oil prices if Western countries were allowed to up-value official gold holdings brought a sharp fall in gold shares, as well as a minor check to industrials. But this news was quickly followed by the announcement that the freeze on United Kingdom commercial rents will be lifted in the New Year—which galvanized property shares, and steadied the rest of the market. The outcome was that the FT index put on a further 2.2 to 163.3 (after 164.6). Turnover, in terms of recorded bargains of 5,667, was good by recent standards. Moreover, an amplified figure for Wednesday showed equity turnover for that day at £56.8m—about 10 per cent above the levels of the past fortnight. But the market remained convinced that the recent upturn in share prices reflects little more than bare covering ahead of the Christmas holiday by those who were selling during last week's sterling-inspired downturn. These pundits pointed out that yesterday's share rise took place against a background of gloomy economic predictions from the OECD. News of the thawing of commercial rents brought turmoil in the property share sector. Jobbers' offices were overwhelmed with telephone inquiries, some of which produced buying orders. But the news was not unexpected, and this morning's market will show whether buyers follow through. Among the leading property shares, Land Securities (99p), Metropolitan Estates (88p) and Great Portland (120p) all established good rises during the final half-hour of trading. Gold shares, easier throughout the session following a lower bullion fixing in London, moved erratically at the close. The first reports of the statement from the Shah sent share prices plunging—only to rally when Wall Street opened and American buyers came into the London market in strength. Net losses in President Steyn (£19.1) and FS Geduld (£26.1) were held to 25p or so. Leading industrials opened uncertainly in consequence of the gloomy economic picture painted by the OECD. But prices quickly steadied as both sterling and Gilts remained firm. Closing prices for ICI (129p), Unilever (171p) and Beecham (122p) showed minor rises—after allowing for the late mark-down after the Shah's warning on oil prices. At 61p, ELM shares recouped their 4p fall, helped by confirmation of the Government help. Other engineering shares held steady. Westland (22p) firmed up on the trading results. Shares in R. Costain eased to 76p on the disclosure that the stake held by Slater Walker Securities had been sold to Arab interests. Oil shares remained quiet against the background of uncertainty in the Middle East. Equity turnover on December 18, £56.8m (11,233 bargains). Active stocks yesterday according to Exchange Telegraph were ICI, BAT, Land Securities, GEC, Barclays Bank, National Westminster Bank, Anglo-Thai, Beecham, Marks & Spencer, Distillers. Buyers returned to the gilt-edged market producing modest price rises across a broad front. Jobbers said that the buying was not on a large scale, but quite comfortably outweighed selling. The long-dated stock began to advance around midday and then held steady, closing at the day's best, with a gain of 1. After a slow start, short-dated stocks performed even better, rising 1 to 1.

Ellerman rises £2m

The improving trend which emerged in 1973 has continued into the first half at Ellerman Lines. Taxable profits have jumped £2m to £4.5m, and the board hopes to sustain this upward for the second half. Turnover is up from £26m to £40.8m. Associates have contributed £365,000, against £277,000, while losses from financial operations have been reduced from £1.08m to £296,000. Since the end of the half-year (June 30) there has been a further deterioration in exchange rates and if certain loans were repayed at the rate ruling at November 30, losses from the financial operations would be increased.

Break in commodity boom trims Berisford's growth

By Our Financial Staff. Commodity trader and food processor S. & W. Berisford has turned in pre-tax profits of £7.58m for the year to September 30, against £4.9m. With sales up from £405m to £523m the group evidently has benefited from the higher prices and activity in commodities markets throughout most of the reporting period. But second-half taxable profits rose by only just over a fifth, compared with a doubled contribution in the first half. This reflects the recent sharp falls in commodity prices and the decline of speculative interest in the group's major areas of interest, such as cocoa and sugar. At the interim stage the group had made provisions against losses in some parts of the bet price predictions in the major second-half growth would come from overseas interests. Fully diluted earnings went out at 27p a share for the year, against 20.7p.

The Cameron Group advertisement featuring a logo with a dog and text: '20% Increase in Turnover', 'Main points from the report by J. W. Cameron, O.B.E.', and financial facts for 1974 and 1973.

DAVID CHARLES SUMMARY OF RESULTS for the year ended 30th June 1974. Includes financial data and a list of services provided.

The Times Calendar of Britain 1975 advertisement. Describes a 13-month calendar with glossy paper, flip-over binding, and a special cardboard mailing envelope. Includes a coupon for ordering.

FINANCIAL NEWS AND MARKET REPORTS

Higher Vaux interim as profits weaken

In September, Mr F. Nicholson, chairman of Vaux Breweries, was hoping for a better performance...

Cussons stationary

In spite of a 39 per cent leap in interim turnover to £9.09m profits of Cussons Group...

Caution from Atlas Stone

Mr G. Davis, chairman of Atlas Stone, says the company has the markets and resources to increase its manufacturing...

Peacock

A turnover up from £17.7m to £18.7m, pre-tax profits of the Peacock light engineering group...

Caplan margins cut by factory fire

Chiefly because of an exceptionally buoyant office equipment market, profits of Caplan Profile jumped 37 per cent...

future growth must increasingly depend on economic conditions but the group is in a post-war position...

Plays up 56 pc

Helped by an improved demand for newswires Plym expanded profits 56 per cent to £330,000...

Triumph's IOM sale

Alcrafield, a Manchester-based private investment company, has acquired the share capital of G. T. Whyte and Co...

Deanson ahead

As expected, profits of Deanson (Holdings) were ahead in the year to September 30—by 26 per cent to £295,000...

Tace pays extra after profit relapse

Although turnover has risen from £8m to £8.5m at Tace (formerly Transport and Chemical Engineering) taxable profits for

the year to September 30 took a loss from £299,000 to £696,000. After tax the drop was still sharper—from £522,000 to £401,000...

Brit Benz back to profits

Turning a loss of £274,000 into a trading profit of £532,000 British Benz Carbonsising return to the dividend list with a payment of 0.5p for the half-year to September 30...

Bishopsgate Pros

Including dealing profits which are unlikely to be repeated in present market conditions, Bishopsgate Property & General Investments reports pre-tax revenue for the year to June 30 increased from £1.04m to £1.45m...

Group revenue for the 12 months jumped from £838,000 to £2.23m, though its share of the revenue of associated companies dropped from £575,000 to £274,000...

CHRISTIES INTERNATIONAL

Christies in agreed deal via offshoot Rotamal has acquired Debenham Coe & Co. auctioneers, for £70,000 cash.

Eurobond prices (midday indicators)

5 STRAIGHTS Bid Offer American Motors 9 1989 80 82

Table of Eurobond prices with columns for Bid, Offer, and various bond names like Anglo-American 7 1/2 1987, Ashland 8 1987, etc.

Lake & Elliot, Ltd.

Manufacturers of valves for marine and petrochemical industries, and steel castings for oil, chemical and mining industries. Extracts from the Report & Accounts for the year ended 31st July, 1974.

CHARTER CONSOLIDATED LIMITED. THE WARRANTS TO BEARER OF THE CHARTER CONSOLIDATED DIVIDEND FOR YEAR TO 31ST MARCH, 1975...

NatWest not reaching last year's levels

National Westminster Bank has not been able to maintain the exceptionally high level of profitability achieved last year, Mr Alex Dibbs, the chief executive...

H C Janes to recoup its interim setback

A slow first half is being shaken off by the H. C. Janes building and housing estate developing group. The second half-year has begun well, and present indications are for a broadly similar result to last year's £2.4m pre-tax profit...

"The creation of profit or wealth by hard work and enterprise is a thoroughly healthy and necessary objective." "The long delay in achieving price increases to compensate, in part, for inflationary costs made it impossible to generate adequate profits to sustain the necessary investment for the development of our business."

INTERIM STATEMENT

Unigate INTERIM REPORT for the six months ended 30th September, 1974. Table with columns for Notes, 1974, 1973, 1974.

Commodities

COPPER spot. Afternoon—Cash wire three months, \$252.00-54.00. Sales, 3,600 tons. Cash, \$252.00-54.00. Three months, \$252.00-53.00. Sales, 10 tons. Settlement, \$252.00-54.00. Three months, \$252.00-54.00. Sales, 2,250 tons. Settlement, \$252.00-54.00. Three months, \$252.00-54.00. Sales, 2,250 tons. Settlement, \$252.00-54.00.

Mr. H. Alan Walker, Chairman. For the first time since the formation of the Group, I am unable to report a growth in profits. In the first half year sales were progressing quite well, but inflation was escalating costs. The second half year was a disappointment both as to weather and sales.

Prospective Margin Awards. The Ministry of Agriculture, Fisheries and Food amount to £1,272,000 (1973) and £1,000,000 (1974). Credit has been taken for one-half of this amount.

Production. We have had many setbacks over Runcom, but most of our problems at last seem to be resolved and performance is steadily improving. We have maintained the high quality of all our products. Cask conditioned draught beers still constitute a large proportion of our total output. Indeed, we are by far the largest brewers of these beers.

Marketing. Beer sales have shown further improvement although at a slower rate than in recent years. Our sales have remained more buoyant in the North of England, in Scotland and Northern Ireland than in the rest of the country.

Overseas. In Belgium, Lamot continued to show above average growth. The pub companies in Sweden and Switzerland, have made good progress. Furthermore, sales of Bass beers brewed under franchise continue to advance. Hotels. The past year has been a disappointing one for the hotel industry throughout Europe.

Extracts from the Accounts for the year ended 30th September, 1974. Table with columns for 1974, 1973, £ million, £ million.

Bass Charrington LIMITED

MARKET REPORTS

Foreign Exchange

The dollar closed below its highest levels against major European currencies yesterday, but remained generally firmer than overnight. Trading throughout the session was thin and nervous, with the most volatile activity early in the day when the dollar rose sharply to 2.6350-6450 against the Swiss franc.

The dollar fell back to 2.5925-6000 against the Swiss unit in mid-session, but firmed again in the afternoon to close at 2.6050-6200 against the Swiss currency (2.5530-5625 overnight).

Sterling weakened to \$2.3305—a net fall of 115 points—against the dollar as the United States currency advanced on a broad front. But the pound was firmer against the mark, Swiss franc and lira. The Bank of England's sterling depreciation rate widened slightly.

Discount market

Although a projected surplus of day-to-day credit did not really show through in the system yesterday, discount houses passed a comfortable day, balancing their books without assistance from the Bank of England.

MEAT (smallish)—BEEF, Scotch Mince, 22.00-23.00; BEEF, Scotch Mince, 22.00-23.00; BEEF, Scotch Mince, 22.00-23.00; BEEF, Scotch Mince, 22.00-23.00.

Spot Position of Sterling

Table showing spot position of sterling with columns for Bid, Offer, and various currency pairs like Dollar, Mark, etc.

Forward Levels

Table showing forward levels for various currencies and terms like 1 month, 3 months, 6 months.

Authorized Units, Insurance & Offshore Funds

Table listing authorized units, insurance, and offshore funds with columns for Bid, Offer, and other details.

Money Market Rates

Table showing money market rates for various instruments like Treasury Bills, Government Securities, etc.

The Times Share Indices

Table showing share indices for various sectors like All-Share, Industrial, etc.

Bank Base Rates

Table showing bank base rates for various banks like Barclays, Nat West, etc.

Bass outlook muted

Without profits no one benefits; the two words are synonymous, writes Mr. H. Alan Walker, chairman of Bass Charrington, in his review.

Recent Issues

Table listing recent issues of stocks and bonds with columns for Bid, Offer, and other details.

BRYCOURT INVESTMENTS LIMITED

Comments by the Chairman, The Hon. D. C. S. Montagu. At 30th September, 1974 the total value of the security portfolio and net current assets amounted to £3,695,327, a reduction of 44 per cent as compared with the previous year.

Bank Base Rates

Table showing bank base rates for various banks like Barclays, Nat West, etc.

DE BEERS CONSOLIDATED MINES LIMITED

NOTICE TO HOLDERS OF PREFERENCE SHARE WARRANTS TO BEARER. With reference to the notice of declaration of dividend advertised in the press on 27th October 1974, the following information is published for the guidance of holders of share warrants to bearer.

The dividend of one rand (R1.00) per share was declared on 27th October 1974. The dividend is payable in cash to the registered shareholders at 14.975 cents per share and South West African non-resident shareholders at 10.025 cents per share.

At the offices of the following continental paying agents by residence of the shareholder concerned for payment in the appropriate local currency: Banque Paribas, Luxembourg; Societe Generale de Banque, Montevideo; Paribas, Brussels; Banque Lambert, Luxembourg; Union Bank of Switzerland, Zurich; Swiss Bank Corporation, Zurich; Banque Lambert, Luxembourg.

United Kingdom income tax will be deducted from the dividend payable in respect of shares owned by non-resident shareholders.

At the London Reception Office prior to 17th January, 1975 will be paid the United Kingdom currency equivalent of the rand currency value of the dividend on or after 17th January, 1975.

Compounds must be left for at least four clear days for examination and may be presented any weekday (except between the hours of 10 a.m. and 2 p.m.)

United Kingdom income tax will be deducted from the dividend payable in respect of shares owned by non-resident shareholders.

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Authorized Units, Insurance & Offshore Funds

Table listing authorized units, insurance, and offshore funds with columns for Bid, Offer, and other details.

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ANGLO AMERICAN CORPORATION OF SOUTH AFRICA, LIMITED

NOTICE TO HOLDERS OF PREFERRED STOCK WARRANTS TO BEARER. With reference to the notice of declaration of dividend advertised in the press on 17th December, 1974, the following information is published for the guidance of holders of stock warrants to bearer.

The dividend of 3 per cent (3 cents) per share will be paid on or after 31st January, 1975, to the registered shareholders at 14.975 cents per share and South West African non-resident shareholders at 10.025 cents per share.

At the offices of the following continental paying agents by residence of the shareholder concerned for payment in the appropriate local currency: Banque Paribas, Luxembourg; Societe Generale de Banque, Montevideo; Paribas, Brussels; Banque Lambert, Luxembourg; Union Bank of Switzerland, Zurich; Swiss Bank Corporation, Zurich; Banque Lambert, Luxembourg.

United Kingdom income tax will be deducted from the dividend payable in respect of shares owned by non-resident shareholders.

At the London Reception Office prior to 17th January, 1975 will be paid the United Kingdom currency equivalent of the rand currency value of the dividend on or after 17th January, 1975.

Compounds must be left for at least four clear days for examination and may be presented any weekday (except between the hours of 10 a.m. and 2 p.m.)

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United Kingdom income tax will be deducted from the dividend payable in respect of shares owned by non-resident shareholders.

SUMMARY OF RESULTS for the year ended 30th September, 1974

Table showing summary of results for the year ended 30th September, 1974, including Revenue, Dividend, and Earnings.

YORKSHIRE & LANCASHIRE INVESTMENT TRUST LIMITED

Highlights of the Annual Statement made by the Chairman Mr. J. Fattorini, M.B.E., T.D., J.P.

The gross revenue, for the year ended 30th September, of £88,731 was substantially up on last year's total of £74 Dividends received, especially from overseas investments increased substantially as also did the bank interest received. These items outweighed the loss of underwriting commission which, due to the inactivity of the new issue market, was reduced to a negligible amount.

The total recommended dividend of 1.05p per share with related tax credit is equal to 1.5672p per share gross and pares with 1.4375p per share gross paid last year. This increase of 9 per cent.

The heavy fall in stock exchange prices which has brought stock indices back to the levels of 1958, had a most adverse effect on the net asset value per share which declined to 10.025 cents.

During the year, in spite of very few opportunities investment dealing subsidiary company White & Red Rose Investments Limited made a profit of £732 on dealing activities.

The government's reliance on the social contract, to exclusion of a statutory wages policy or a limitation of money supply, while trade union leaders are unable to curb their unions' wage demands, is a prescription for inflation which the inflation becomes the more difficult it will control without a major business recession.

The company continues to maintain a high proportion of funds on deposit with its bankers.

While it will not be easy to maintain revenue for the year at the high level of the year under review, such will directors' aim, and, if possible, to maintain the current dividend.

HERMAN SMITH LIMITE

The following is an extract from the circulation of the Chairman and Managing Director, Mr. E. G. Smith:

The trading profit for the year ended 30th June was £213,190, subject only to tax, which compares £248,847 for the previous year. In addition, there sum of £58,000, being a provision for Rolls-Royce Ltd debt, no longer required. Group trading activities significantly affected by the three-day working followed immediately by the Engineers' National overtime.

HERMAN SMITH (AERO SERVICES) achieve over and profits which were satisfactory in the straits and sales prospects at home and overseas encouraging.

HERMAN SMITH (MACHINING). Profits match expectations but I am confident that this C will resume progress this year.

HERMAN SMITH (ELECTRICAL ENGINEER) a satisfactory performance. Present orders on hand particularly high, and production is being such expanded.

HERMAN SMITH (SPECIAL PRODUCTS) continue progress. HERMAN SMITH (PRESSWORK) sign increased its sales and earnings in this, its first year in the new factory at Netherton.

GENERAL. Inflationary pressures affecting make forecasting for the future so difficult. Never the order book is at a higher level than we have experienced before and I anticipate that results for the present should be at least maintained.

Copies of the Report can be obtained from the Secretary, Cinderbank Works, Dudley, West Midlands.

Jessups (Holdings) Limited

Motor Vehicle Dealers, Commercial Vehicle Body Builders and Vehicle Leasing Specialists. Confidence in the longer term. Mr. Alan Jessup, Chairman and Managing Director, reports: The recovery in the second half of the year to 31st August to achieve a fall of only 35 per cent in pre-tax profits against the previous years' record is considered a very satisfactory result in view of the adverse conditions which prevailed.

We have extended our franchise interests by introducing Datsun to Basildon and Renault to East Ham. Apex Motors, the Ford Main Dealer at Stourbridge, is now integrated into the Group and has shown very encouraging progress throughout the year.

We are continuing to strengthen our activities in the field of company fleet sales and leasing.

All other aspects of Group trading have been satisfactory, with each company, including the Vauxhall, Bedford and Opel franchises, contributing to profit.

Opportunities for expansion are being actively pursued although any immediate redevelopment prospects to some of the company's property interests will be postponed in view of the uncertain conditions in the property market.

It is an indication of confidence for the longer term that the directors are recommending an increased dividend.

كندا من الاصل

كذا من الأصل

Stock Exchange Prices

Late rise in property shares

ACCOUNT DAYS: Dealings Began Dec 9. Dealings End Dec 23. Contango Day, Dec 24. Settlement Day, Jan 7. Forward bargains are permitted on two previous days.

For Really Discerning Drinkers

HIGH & MARY Really Dry Gin



HINE connoisseurs' cognac

Main table containing stock exchange prices for various companies, categorized by sectors like Commercial and Industrial, Financial, Insurance, and Property. Includes columns for company names, share prices, and dividends.



Originally two Tudor cottages—Cromwell Cottage, Pitt, near Winchester.

Success in restoration comes nearly as much from the location as from the buildings themselves...

Residential property Restoration holds rewards

colour-washing, leaded lights and exposed beams. For all these reasons...

to a pretty fair amount of space. The house is in private occupation and might, therefore, or else be suitable, subject to planning permission...

COUNTRY PROPERTIES: MEON VALLEY, Hants. Secluded 3 1/2 acre plot...

PROPERTY WANTED: QUICK SALE FOR LONG LEASE? 10-12 years...

LONDON AND SUBURBAN: ASHTEAD, NR. EPSOM: Business move prospective...

SAY IT THROUGH THE TIMES! A thank you to all your clients of 1974 and wish them a prosperous 1975

The Times Property Column Extends New Year Greetings to all. Signature Greetings Message

LONDON AND SUBURBAN: CHELSEA, S.W.3: Freehold with secluded private garden approach...

BARGAIN AT £32,000: A magnificent newly modernized large house with double garage.

LONDON FLATS: CHELSEA EXCHANGE! CLOSE SLOANE SQUARE: Superiorly situated period house...

LEGAL NOTICES: In the HIGH COURT OF JUSTICE, Chancery Division...

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PUBLIC AND EDUCATIONAL APPOINTMENTS: LECTURER GRADE II PSYCHOLOGY: A vacancy exists for a Lecturer II to teach in the Psychology Department...

EFL TUTOR: Vacancy for tutor in EFL in recognized school with many of interesting courses...

UNIVERSITY APPOINTMENTS: University of Reading LECTURESHIP IN COMPARATIVE EDUCATION: Applications are invited from suitably qualified graduates...

APPOINTMENTS VACANT: LEGAL APPOINTMENTS: BUSY LITIGATION DEPARTMENT: RECEIVED SOLECITY FOR VIDE VARIETY OF TOPICS...

GENERAL VACANCIES: SPEECH DRAFTER: ACCOUNTANCY: ARTICLED CLERKS AND trainees, London and nationwide...

PUBLIC AND EDUCATIONAL APPOINTMENTS: Gwynedd Archaeological Trust Ymddiriedolaeth Arthaeolegol Gwynedd Appointment of DEPUTY DIRECTOR

WELSH COUNTY COUNCIL GLANMORGAN: Applications are invited for the following post: ARTICLED CLERK (Ref: SV/01/013) At Guildhall, Swansea

£4,000 plus Appointments: DIRECTOR OF MEDICAL SERVICES: £10,590. This appointment within the Health and Safety Executive, which is to be established short involves several distinct areas of responsibility...

Health and Safety Commission: Chief Accountant MALAYSIA £12,500 P.A.: Sime Darby is an international group which has substantial interests in plantations, heavy equipment, manufacturing, trading, shipping and financial services...

Secretary's Department Solicitor £4,998-£5,556 plus £180 Local Weighting and Threshold payment £229.68

Hertsmead District Council: St John's Hospital for Diseases of the Skin: TREASURER TO THE BOARD OF GOVERNORS AND TO THE INSTITUTE OF DERMATOLOGISTS

FERTILISER TRADER: Required now for our London based operation, an international trader with experience in Fertiliser and Fertiliser raw materials. Box No. 0560 M, The Times

Applications are invited from suitably qualified candidates with experience in hospital or public service to participate fully as part of a young management team in the development of this hospital and Institute.

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Material and General Appointments

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PA/SECRETARY £2,500 NEGOTIABLE U.S. subsidiary of oil exploration company seeks...

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TOP GIRL Bright and well-educated SECRETARY and PERSONAL ASSISTANT...

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MARKETING & SALES A LEADING BRITISH ENGINEERING COMPANY REQUIRES A YOUNG LADY...

GIRL to take charge of Wine Bar, immediate position to someone interested in presentation of good food...

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PART-TIME Assistant to Job Loss... in the marketing team...

LEGAL NOTICES in the High Court of Justice...

NOTICE of Intention to appear on the hearing of the said Petition...

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ROBBINS OF PUTNEY LTD. OFFER 1973 Rolls-Royce, two-door...

1974 JAGUAR XJ6 Left hand drive, manual 4.2...

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RICHARD HAMILTON print design in London for sale.

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